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TODAY:  
STAGE  
Hollywood's Big Bet, Page 10

## Hong Kong Bans Fowl From China

Fourth Avian Flu Death Cited in Chicken Curb

By Keith B. Richburg  
Washington Post Service

HONG KONG — Rattled by a mysterious avian virus that has killed four people and hospitalized eight, Hong Kong health authorities on Tuesday suspended all imports of chicken from mainland China, by far the largest supplier of poultry to the territory.

The halt to imports came as the "bird flu" on Tuesday claimed its fourth suspected victim, a 60-year-old woman who died in a local hospital. The government said that she died of pneumonia, but could not confirm yet that she had the avian virus.

So far, the virus has affected children as young as 2, a teenager who died and adults of various ages. One victim also in critical condition is a Filipino domestic worker who is believed to have been handling a chicken in preparation for a family meal. Only 2 of the 12 people to contract the disease have been successfully treated and released from hospitals.

"This is a new illness, a new virus," said Paul Saw, the deputy health director, at a news conference Tuesday. "There is still very little we know about the virus."

The import suspension was described as a temporary measure to give officials here time to set up a strict system of controls for monitoring Chinese-origin poultry. The controls will include a new rapid blood test for imported birds and a five-day holding period before the chickens can be sold at local markets.

China supplies Hong Kong about 75,000 chickens each day, or about 70 percent of local consumption.

Hong Kong officials said the suspension of Chinese chicken imports had been agreed to by authorities across the border. Leslie Sims, the senior veterinary officer with the agriculture and fisheries department, said the move was intended to "restore confidence to the local market and to insure that only unaffected birds can be imported to Hong Kong."

China is widely suspected to be the source of the mysterious influenza known as H5N1, but commonly called "bird flu" because it was originally

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## AGENDA

### Russians Will Free U.S. Man Held as Spy

WASHINGTON (Reuters) — An American telecommunications engineer arrested and charged with espionage in Russia will be allowed to leave under an agreement with the Russian security service, the U.S. State Department said Tuesday.

Richard Bliss, an employee of Qualcomm Corp., based in San Diego, was arrested in the Russian city of Rostov-on-Don on Nov. 25. Mr. Bliss, his company and U.S. officials deny that he was spying.

### To Our Readers

Because of the Christmas holiday, this is a double issue of the HT. The paper will not be published on Thursday. Publication resumes with Friday's issue.

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The HT on-line: www.ht.com

The Dollar		
	Tuesday 4 P.M.	previous close
DM	1.774	1.7815
Pound	1.667	1.6636
Yen	129.25	130.125
FF	5.9335	5.959

The Dow		
	Tuesday close	previous close
	7891.77	7819.31
S&P 500		
	Tuesday 4 P.M.	previous close
change	939.12	953.70

Newstand Prices		
Andorra	10.00 FF	Lebanon 11.3000
Antilles	12.50 FF	Morocco 16 DH
Cameroon	1.600 CFA	Qatar 10.00 QR
Equatorial Guinea	5.500 CFA	Réunion 12.50 FF
France	10.00 FF	Saudi Arabia 10 SR
Gabon	1.100 CFA	Senegal 1.100 CFA
Italy	2.800 Lire	Spain 225 Ptas
Israel	1.250 CFA	Tunisia 1.250 Dn
Jordan	1.250 JD	U.A.E. 10.00 Dh
Kuwait	700 Fils	U.S. Mtl. (Eur.) \$1.20



A courtroom sketch portrays 'Carlos' listening to testimony in Paris.

## 'Carlos' Tells Paris Jury: 'There Is No Law for Me'

Terrorist Makes Final Plea in Murder Trial

The Associated Press

PARIS — Making his final plea for acquittal, the terrorist known as "Carlos the Jackal" attacked the proceedings Tuesday as a political show trial to punish him for his "love of revolution."

"There is no law for me," said Carlos, who was born in Venezuela and whose name is Ilich Ramirez Sanchez. He is on trial for the 1975 murders of two French investigators and a fellow pro-Palestinian militant Lebanese whom he said had betrayed him.

But before Judge Yves Corneloup halted his monologue and sent the jury to deliberate on the trial's seventh day, Carlos said he was unafraid of spending the rest of his days behind bars. "They want to sentence me to life in prison," he said. "I'm 48 years old, so it could be another 40 of 50 years. That doesn't horrify me."

Carlos took the stand and spoke for more than two hours before the court recessed briefly. With the right to continue speaking as long as he wants, Carlos planned to continue long after the break, but Judge Corneloup halted him after another hour.

In a rambling speech of heavily Spanish-accented French, Carlos stuck to the theme he has maintained throughout the trial: his "love of revolution and love of justice" — something he said he could not get from the French judicial system. "I am a political prisoner," he said, reading from a red notebook.

He spoke at length about the Palestinian cause, for which he fought over many years, calling it "a world-wide war and a war the world will win," and condemned Israel as a

See CARLOS, Page 7

## Seoul Fights Debt Crunch

Stocks and Won Fall as Foreign Bankers Set Terms

By Don Kirk  
Special to the Herald Tribune

SEOUL — South Korea's stock market and currency dropped again to record lows Tuesday as the government fought to quell fears that it would have to declare a debt moratorium.

The rapid decline in the value of the currency, the won, reflected the desperation of a financial community searching for foreign currency to pay off debts due this week and next.

"All bets are off, the bottom's fallen out," said Richard Samuelson, branch manager of SBC Warburg, watching the dollar rise to 1,962 won as banks closed Tuesday. The currency almost reached the 2,000 mark during the day, hitting an all-time high of 1,995 won before easing slightly.

The thirst for dollars had the same impact on the stock market, where share prices slipped 7.5 percent, their worst day ever, amid growing fears that more companies would go bankrupt without the credit or investment needed to produce, export and stay afloat.

Government officials met with foreign bankers to appeal for a rollover of \$20 billion in loans falling due by the middle of next month as a way to avoid going into default. A Finance Ministry spokesman estimated that South Korean institutions would be able to pay off \$10 billion in debts if foreign banks "agree to roll over half of their Korean loans."

Foreign bankers, however, were said to be divided in their response.

"We can work it out if everyone remains cool," Guillaume Lejoindre, chairman of the Foreign Bankers Association, told Bloomberg News, reporting "smiles on the foreign bankers' faces by the end of the meeting."

But on the basis of word from bankers at the meeting, a securities analyst said some of them "want to restructure and refinance, and some do not." In any case, he added, "We hear they're rolling over for only a month" instead of three to six months, the norm.

Japanese and American banks were said to be leaning toward extending loans. "They have huge interests here," the analyst said. "It's in their interest to avoid a debt moratorium." In addition, major foreign banks, including Citibank and Chase Manhattan, may form a consortium to drum up \$10 billion in credit, a Finance Ministry spokesman said.

A sign of deepening distrust in the

• Indonesian foreign debt may be as much as \$200 billion. Page 11.  
• South Korea's conglomerates won't be easy to fix. Page 15.

South Korean economy was that not a single foreigner invested in government-backed bonds of three years or less on Tuesday — the first day foreigners had ever had access to that market. "It was as if you gave a party and none of the guests showed up," an analyst said.

The yield on three-year corporate bonds set a record Tuesday. The interest rate soared to a high of 31.45 percent before closing at 31.11 percent — another reflection of distrust in the vi-

See KOREA, Page 15



A Korean Exchange Bank employee updating a display of the won-dollar conversion rate on Tuesday.

## Makers of Luxury Goods Sour on Asia's New Poor

By Jennifer Steinhilber  
New York Times Service

NEW YORK — The visual rhetoric of fashion has always had only a tenuous relationship with its actual business plan.

A few of those house-defining gowns depicted so lavishly in magazine advertisements do sell; but most fashion profits are raked in at the perfume and accessories counter.

And while there certainly are affluent American customers for designer goods, roughly half of the world's full-priced luxury purchases are made by Asians, either in their own countries or while traveling.

Many fashion companies, therefore, have pegged their growth in recent years to the Pacific, largely through sales of handbags, perfumes and other goods that will fit into the overhead compartments on an airplane.

This is the business reality that is being severely tested these days as Asia suffers an economic upheaval that has seriously injured the luxury retail business in Hong Kong, South Korea and elsewhere and caused many luxury-goods companies to rein in their growth plans, at least for now.

"The wealthy Asian consumer just went over the cliff and will probably stay quite depressed over 1998," said Edward Yardeni, chief economist at Deutsche Morgan Grenfell in New York. "Most of these high-end re-

tailors that had been counting on Asian yuppies for their growth over the next 10 years are stuck with American yuppies for now."

Economic weaknesses throughout Asia have caused currencies and stock prices to plunge: Hong Kong, the hot spot of luxury-goods sales, has taken a beating since October, and the Japanese economy has been in a protracted slump, with recent bank failures underscoring the seriousness.

At the same time, the currencies of several Southeast Asian countries — spots that fashion has eyed for years — have weakened sharply in the past several months. In South Korea, where the International Monetary Fund was recently forced to come up with a \$60 billion financial bailout, there was already something of a backlash against foreign luxury goods. If that mood continues, there could be long-term trouble ahead.

All these problems have meant one simple thing: There are far fewer people willing or able to shell out for leather handbags and spike-heeled shoes these days, let alone for the matched designer outfits the Asian customer favors.

Luxury sales in Tokyo have remained mostly steady, but foreign travel is down for the Japanese. People are no longer flocking in such huge numbers to Hong Kong, where

See LUXURY, Page 15



BELARUSSIAN SANTA CLAUS — Andrei Sukach, 5, and his mother, Irina, 26, unpacking Christmas gifts Tuesday that were distributed to patients at a hospital in Minsk by the Belarussian Children's Fund.

## U.S. Lifts the Lid on Old Nuclear Toys

By Walter Pincus  
Washington Post Service

WASHINGTON — More than 30 years ago, the United States developed a lightweight nuclear device and then "extensively practiced" delivering it to an enemy harbor using a navy or Marine parachutist, according to materials made public by the Defense and Energy departments.

Formerly classified film showing a parachutist with a so-called Special Atomic Demolition Munition was among formerly classified material concerning atomic weapons, including hundreds of thousands of pages of documents, made public Monday by Energy Secretary Federico Pena as part of a Clinton administration program announced four years ago to introduce greater openness on atomic matters.

Although the small nuclear device was never used, its yield of less than a kiloton — or 1,000 tons of TNT — could have caused enormous damage and, if detonated in a harbor, would have left a wide area of radioactive wreckage and contaminated water.

Roger Heusser of the Energy Department's Office of Declassification acknowledged that the 60-pound (27-kilogram) weapon, part of the U.S. arsenal from 1963 through 1989, could be seen as a precedent for a possible present-day terrorist nuclear weapon.

Another nuclear weapon capable of being fired by a single soldier, the so-called Davy Crockett, was also shown for the first time being tested in a simulated battle at the Nevada Test Site.

See WEAPON, Page 7

## Fired for Pregnancy, Actress Is Awarded \$5 Million

By Lloyd Grove  
and David Von Drehle  
Washington Post Service

WASHINGTON — An actress hired to play a slender temptress on television's "Melrose Place" — but fired after she became pregnant — has won a judgment of nearly \$5 million from a Los Angeles jury.

The actress, Hunter Tylo, 34, maintained in her lawsuit against Spelling Entertainment Group and Spelling Television Inc. that clever camera angles, advanced technology, body doubles and her own fit figure could have allowed her to continue in the cast of the bed-hopping evening melodrama.

Instead, she charged, one of the producers of the show had said: "Why doesn't she just go out and get an abortion? Then she can work."

Spelling officials, who denied that the abortion remark was made, countered that a visibly pregnant woman would not be credible as a "vixen, seductress, adulteress" and therefore could not be part of "Melrose Place."

The jury award — \$4 million for emotional distress and \$894,601 for economic loss — is the latest blow in a long-running war over the rules that will govern a television universe obsessed with appearances. Since the early 1980s, when a reporter in Kansas City, Christine Craft, sued Metromedia —

ultimately unsuccessfully — claiming she was demoted because of her looks, women have argued that the industry's standards are not only skin-deep but illegally discriminatory.

The verdict came at considerable personal cost, Miss Tylo said.

"We've won a victory after a little over a year and half of nothing but attacks on my family, my personal life, my sex life, my birth control methods, problems with my marriage," she said.

A jubilant Nathan Goldberg, Miss Tylo's attorney and lead litigator, said the case had set a precedent for television. "This is the first case in the annals



Hunter Tylo after the verdict.

See ACTRESS, Page 7

## Somali Quest for Peace: A Shaky Accord at Best

Bitter Rivalries Threaten Hard-Fought Deal

By Douglas Jehl  
New York Times Service

CAIRO — The leaders of rival Somali factions have agreed to try to restore national government for the first time since civil war engulfed the country six years ago, but tensions among the clans make it all but certain that fresh differences and rivalries will emerge.

The accord, the product of more than a month of negotiations, aims to end the conflict and anarchy that have prevailed in Somalia since the toppling of the dictator, Mohammed Siad Barre, in 1991.

It would establish an interim government in which power would be shared among the factions that have divided the country into armed camps.

That government and its leaders will not be chosen until hundreds of del-

egates representing Somalia's various clans gather to review the plan next month in the Somali city of Baidoa.

But at a signing ceremony Monday night at the Egyptian Foreign Ministry, faction leaders and others who took part in the talks described the accord as a major step and perhaps a watershed in the quest to end the conflict.

"This means everything for Somalia," said Hussein Mohammed Aidiid, who succeeded his late father, Mohammed Farah Aidiid, as leader of one of the country's most powerful factions. The younger Aidiid described the accord as "the culmination of years of negotiations and agreements."

Mohammed Shaaban, an Egyptian assistant foreign minister, said of the Somali faction leaders, "They are now halfway toward ending their war."

In addition to Mr. Aidiid, Monday night's ceremony was attended by most of Somalia's most important faction leaders, including Ali Mahdi Mohammed, a fierce rival for control of Mogadishu, the country's long-divided capital.

While the ceremony underscored a broad base of support for the accord among Somali faction leaders, there remain some forces in Somalia who have expressed opposition to the unification plan.

These include Mohammed Ibrahim Egal, president of breakaway Somaliland in the northwest of the country, who has said he will not allow the region to be reintegrated in any unified Somali government.

They also include two faction leaders, Colonel Abdullah Youssef and General Aden Abdullah Nur, who had been aligned with Mr. Ali Mahdi but abandoned the negotiations in Cairo last

See SOMALIS, Page 7



## Conjoined Twins / Separate? A Definite 'No'

## Two Special Sisters, Living One for the Other

By Natalie Angier  
New York Times Service

READING, Pennsylvania — Like many twins descended from a single egg whom the world has deemed "identical," Lori and Reba Schappell prefer to emphasize their differences over their similarities.

Lori is warm and boisterous and maternal. She wants to get married and have babies, she says, and at the age of 36, she wants to do it soon. Reba is quiet and self-contained, and she squirms whenever her sister hugs her in public or tells her that she loves her. Reba is focused on her fledgling career as a country singer. Earlier this month, she flew to California to accept an L.A. Music Award for best new country artist of the year.

Lori keeps her brown hair short, speaks with the broad-voweled accent of the Reading area, where the sisters have always lived, and loves strawberry daiquiris. Reba colors her wavy hair copper, has adopted a Nashville twang and is a teetotaler.

But there are certain things the sisters undeniably share. They are, literally, of one flesh. They are conjoined at the head, portions of their skull, scalp and blood vessels fused at the side in a mirror-image configuration, so that they face in opposite directions.

And though they have two distinct brains, they are of one mind in their opinion about whether they would ever consider undertaking the risks of surgical separation.

"Our point of view is no, straight-out no," said Reba, for the moment not the "quiet" one. "Why would you want to do that? For all the money in China, why? You'd be ruining two lives in the process."

"And we'd miss the other one horribly if she were to die," Lori added.

Reba and Lori live a life that no singleton can imagine, and one that looks unbearably difficult. Where one goes, so must the other.

Reba is short and cannot walk for herself, and so her sister wheels her around on a bar stool. They venture out in the world fearlessly, and the world never stops staring at the sight of them. But as they see it, their lives are no more difficult than all lives.

"There are good days and bad days — so what?" says Reba. "This is what we know. We don't hate it. We live it every day. I don't sit around questioning it, or asking myself what I could do differently if I were separated."

Nor does Lori appreciate being held up as an exemplar of fortitude. "People come up to me and say, 'You're such an inspiration. Now I realize how minor my own problems are compared to yours.' But they have no idea what problems I have or don't have, or what my life is like."

THE ATTITUDES of the Schappell sisters are strongly felt, but not unique. As Alice Dreger, a historian of anatomy at Michigan State University in East Lansing, argues in a new analysis of the medical treatment of conjoined twins, the assumption among surgeons, the public and most parents, that life as a conjoined twin is not worth living, and that separation should be tried in nearly every case, whatever the risks, is an outsider's premise, and one in need of serious scrutiny.

Writing in the current issue of *Studies in History and Philosophy of Science*, Ms. Dreger reviews cases in which surgeons have sought to separate conjoined twins even when the distribution of shared organs resulted in the extreme disability or death of one. She points out that throughout history, conjoined twins who reached adulthood have expressed satisfaction with their linked lives.

Consider the case of Mary and Eliza Chulhurst, one of the first documented examples of conjoined twins. Born fused at the lower back and buttocks in the year 1100, the Chulhurst sisters — also known as the Biddenden Maids — lived for 34 years in



Marty Kane/The New York Times

Lori holding a mirror so she can watch television with Reba. According to a new analysis, the assumption that life as a conjoined twin is not worth living, and that separation should be tried in nearly every case, is one in need of some serious scrutiny.

Kent, England. After the death of one sister, doctors urged the survivor to allow them to attempt surgical separation to save her. She refused, declaring, "As we came together, we will go together." She died several hours later.

Yet despite the testimony of twins themselves, Ms. Dreger argues, doctors persist in regarding conjoined twins — also known by the now-disfavored term, Siamese twins — as monstrously abnormal beings who must be individuated surgically, even if such standard mores of medicine as "first do no harm" are set aside to do so.

She explores at length the ethics that surrounded the case of Angela and Amy Lakeberg, born in 1993. The girls were attached breast to belly, sharing a liver and a single, six-chambered heart, rather than two four-chambered ones. Because the infants had no chance of survival in their conjoined state, the parents opted for a long-shot effort to save one of the twins at the expense of the other.

In an extraordinary operation, a team of surgeons at Children's Hospital of Philadelphia cut off circulation to Amy, deliberately "sacrificing" her to salvage the heart for Angela. The effort ultimately failed, and Angela died 10 months later, but the doctors involved, as well as many others, have maintained that it was better to try to rescue one twin rather than allow both to die.

Yet, as Ms. Dreger argues in her new report, if the twins had been born separate, and the health of both were failing, nobody would have proposed that one sickly twin should be killed and her organs harvested for the sake of the other's survival.

"That we would go so far as to intentionally asphyxiate a conscious head, and kill one of the twins in order to make a singleton out of them just astonished me," Ms. Dreger said. "There was

much ethical discussion at the time about the cost of the operation, but very little about whether or not this was morally right."

Ms. Dreger and others who share her views see parallels between medical attitudes toward conjoined twins, and toward those children born with other anomalies, including ambiguous genitalia, dwarfism, congenital deafness. Such conditions have invited aggressive attempts at fixing, often through a long series of operations, medications and rehabilitations; and most have required that the therapies be performed on children too young to have a say in whether they want to be treated or not.

"There's an allurement called the treatment train," said David Thomasma, director of the medical humanities program at Loyola University Chicago Medical Center. "You hop on, but it's very hard to get off. The power of the medical model today to shape our decisions is enormous."

AT THE SAME time, surgeons say that their techniques are better than ever, and that they can correct many physical defects early. In addition, the number of children born with disabilities is declining as the resolution of prenatal ultrasound and other fetal diagnostic procedures improves, allowing parents to abort abnormal fetuses.

In sum, the dominant culture appears to be moving in two contradictory directions: more accommodating of disabilities in adults, but less tolerant of imperfections in children.

"I'm concerned that as more abnormal children are prevented through abortion and testing, we'll be less tolerant of abnormality," said Alan Fleischman, a bioethicist and senior vice president of the New York Academy of Medicine in Manhattan. "We'll blame families if they knew there would be an abnormal child but chose not to abort."

What people find difficult to imagine about conjoined twins is how they negotiate such ordinary needs of the body as sex and excretion, and how they can stand doing everything together. Reba Schappell capitulated to Lori for a few years while Lori attended college and then worked in a hospital. Now Lori says it is Reba's turn to dominate, and she accompanies her sister to recording sessions and performances, at which she practices a kind of Zen detachment.

"I'm just there, I'm not doing anything," said Lori. "I say hi to people, but then I let Reba get down to business."

Yet the sisters also engage in a constant and perhaps largely subconscious dance of intimacy: fixing a sister's stray lock of hair, or picking a bit of lint off the other's shirt. When they move through a shopping mall they look like young girls, best friends, heads bowed together, murmuring to each other, swept up in a realm of their own.

Doctors who have performed separation surgeries say that the apparent contentment of the Schappell sisters is just as well, for in their case separation is probably impossible, and would lead to mutual death by hemorrhaging.

For parents, the desire to give their children as normal a life as possible is so profound that it can override any fears they have about the dangers of separation surgery. Michelle Roderick said that after she gave birth in May 1996 to Shawna and Janelle, attached at the abdomen, she and her husband never considered keeping the girls conjoined.

"We felt that since the chances were so good that they'd come out of it as healthy individuals, we didn't think it would be fair not to try," she said.

The surgery took more than seven hours, and at one point Shawna went into cardiac arrest and almost died. Ms. Roderick said. But today, the girls run around and talk a mad streak like any other toddlers, displaying their pencil-thin scars to all who care to see them.

## Denise Levertov, 74, Dies; Was Poet and an Activist

Co-Founder of Protest Group on Vietnam War

NEW YORK (NYT) — Denise Levertov, 74, a poet of intense emotion and fervid political conviction, died Saturday of complications from lymphoma in Seattle, where she lived.

As a poet and political activist, Ms. Levertov was "a touchstone, a mainstay for our generation," the poet Robert Creeley, one of her first publishers in the United States, said Monday.

"She was a constantly defining presence in the world we shared, a remarkable and transforming poet for all of us," Mr. Creeley said.

The poet Kenneth Rexroth once wrote that Ms. Levertov was "the most subtly skillful poet of her generation, the most profound, the most modest, the most moving."

In the tradition established by William Carlos Williams, she wrote with a concrete immediacy of language. She spoke directly through her poetry, favoring commonplace objects and images over large philosophical concepts.

The author of more than 30 books of poetry, essays and translations, she wrote with great particularity and sensitivity about aspects of love. She was, as in the title of her first book of essays, "The Poet in the World."

A defining moment of her life was the Vietnam War. She helped found a group called the Writers' and Artists' Protest Against the War in Vietnam, was actively involved in the anti-nuclear movement and, in 1967, edited a volume of poetry for the War Resisters League.

During World War II, she worked as a nurse in London and also began publishing her poetry. Her first volume of verse, "The Double Image," was published in 1946.

Admiral David L. McDonald, 91, Chief of Operations in Vietnam

WASHINGTON (NYT) — Admiral David Lamar McDonald, 91, who commanded American naval forces as the U.S. involvement in Vietnam rose and crested, died Dec. 16 in Jacksonville Beach, Florida.

As chief of naval operations from 1963 to 1967, Mr. McDonald was the navy's senior officer, commanding 670,000 officers and enlisted personnel, 870 ships and 7,200 aircraft.

He defended the importance of American sea power, and he argued that naval bombing offensives in North Vietnam saved American lives in South Vietnam. He was awarded a Gold Star, in lieu of a second Distinguished Service Medal, for his service as chief of naval operations.

Richard Clark McCurdy, 88, Shell Co. Executive and Sailor

NEW YORK (NYT) — Richard Clark McCurdy, 88, a former president of Shell Oil Co. and an avid sailor who helped develop ways to handicap yacht racing and make it safer, died Dec. 4 at his home in Darien, Connecticut.

Mr. McCurdy, who was president of Shell from 1965 to 1974, had a large impact on the company by expanding it and investing heavily to upgrade its refineries.

An engineer by training, he emphasized using science and research to find oil and natural gas. In 1947 he went to Venezuela to run the Shell group's ex-

ploration and production. After leaving Shell in 1974, he went to work for the National Aeronautics and Space Administration.

David N. Schramm, 52, Authority on Big Bang Theory

NEW YORK (NYT) — David N. Schramm, 52, an astrophysicist who was an eminent authority on the Big Bang theory about how the universe was born, died Friday when the twin-engine plane he was piloting crashed in a field, shortly after he returned to a Denver airport.

Mr. Schramm was flying from Chicago to Aspen, Colorado, said a spokesman for the University of Chicago, where he had taught since 1974 and was also an administrator. Soon after 8 P.M. on Friday, Mr. Schramm, who was alone in his plane, radioed a control tower and said that the plane was stalling. The plane then disappeared from radar, according to a local sheriff.

Mr. Schramm had been a Louis Block Distinguished Service Professor in the physical sciences at the university since 1982, and the vice president for research since 1995.

Owen Barfield, 99, Writer And Last Oxford Inkling

LONDON (NYT) — Owen Barfield, 99, a writer and philosopher of language and the last surviving member of the Inklings, a group of Oxford intellectuals who held passionate discussions about Christianity and mythology at C.S. Lewis's house between the two world wars, died Sunday in East Sussex, England.

Mr. Barfield, whose work was greatly admired by T.S. Eliot and J.R.R. Tolkien, among others, was credited with helping Lewis make his celebrated transition from atheism to Christianity and was known for his wide-ranging works on language. He wrote most of his books after retirement and spent a great deal of time in the United States, where he taught graduate courses at various universities.

Peng Meng-chi, 89, a former senior general who bloodily suppressed a Taiwanese uprising 50 years ago, died Friday in Taipei after a long bout with cancer and heart disease. After Mao's Communists swept the Nationalists out of mainland China in 1949, Mr. Peng rose through the ranks of their Taiwan-based government to serve as chief of the general staff and later as ambassador to Thailand and Japan.

Sally Marr, 91, a comedian and talent agent and mother of the comedian Lenny Bruce, died Sunday in Los Angeles. Ms. Marr worked as a waitress and maid and later became a stand-up comedian. Her son started his career by imitating his mother's act.

Sey Chasser, 78, who expanded the purview of women's magazines beyond printing recipes to promoting equal rights as the editor in chief of Redbook, died of complications from colon cancer and a stroke on Dec. 11 in New York. During Mr. Chasser's 16-year tenure, Redbook became one of the United States' largest-circulation women's magazine — rising from 2 million to nearly 5 million.

## TRAVEL UPDATE

## Take the Metro and Phone Home

PARIS (Reuters) — Travelers on the Paris Metro will increasingly be able to use their mobile phones in the underground train network, the RATP urban transport authority said Tuesday.

Only three Metro stations allow for service now, but the authority said the main stations in the Metro and the RER suburban rail network should be covered by the end of next year, although total coverage would take a few more years.

## On Autobahn, 12 Havens for Prayer

BONN (Reuters) — Transport Minister Matthias Wissmann urged his country's motorists on the road this Christmas to stop for spiritual refreshment as well as gasoline.

"During the stressful and hectic Christmas holiday season, the autobahn churches are an ideal place to relax and reflect," Mr. Wissmann said. There are 12 such churches.

Kenya will lose at least \$280 million in tourist earnings from mid-1997 to mid-1998 because of violence that hit the coastal region in August and fears of trouble preceding general elections on Monday, industry sources said.

Hundreds of truck drivers slowed traffic on highways throughout Italy for several hours Tuesday in a protest against government plans to increase their pension contributions.

Zimbabwe air traffic controllers were on strike for the third day Tuesday over pay and working conditions. The authorities insisted that the action had not disrupted any scheduled flights.

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## WEATHER

## Forecast for Thursday through Saturday, as provided by AccuWeather.



**North America**  
Cold in the northern Plains and the Rockies Thursday, will dominate Thursday across southeastern France, day, but it will be dry and weekend. Snow and rain in the Northeast Thursday will be followed by dry weather. A storm in the Atlantic will bring high winds and rain plagues southward into the United Kingdom Thursday into Friday, followed by cooler weather. Some snow will move into Scandinavia.

**Europe**  
Sunny and nice weather across southeastern France, day, but it will be dry and weekend. Snow and rain in the Northeast Thursday will be followed by dry weather. A storm in the Atlantic will bring high winds and rain plagues southward into the United Kingdom Thursday into Friday, followed by cooler weather. Some snow will move into Scandinavia.

**Asia**  
Wet weather will be found across southeastern France, day, but it will be dry and weekend. Snow and rain in the Northeast Thursday will be followed by dry weather. A storm in the Atlantic will bring high winds and rain plagues southward into the United Kingdom Thursday into Friday, followed by cooler weather. Some snow will move into Scandinavia.

**Middle East**  
Sunny and nice weather across southeastern France, day, but it will be dry and weekend. Snow and rain in the Northeast Thursday will be followed by dry weather. A storm in the Atlantic will bring high winds and rain plagues southward into the United Kingdom Thursday into Friday, followed by cooler weather. Some snow will move into Scandinavia.

**Africa**  
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**Latin America**  
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**Oceania**  
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AMERICAS

# Fierce Struggle on Indian Reservations: Teaching Sobriety

By Dirk Johnson  
New York Times Service

PORCUPINE, South Dakota — Cold winds as jagged as broken glass wail across barren fields and bumpy roads here in deepest South Dakota, an echo of the pain in the wretched and unforgiving land where Britton Kills Right, a boy of 12, had burned two tattoos into his arms: "More Beer" and a sketch of the Grim Reaper.

"I wanted to drink," said Mr. Kills Right, now 22, "and I wanted to die."

But he has found reason to live. Sober now for nearly a year, Mr. Kills Right is part of a fast-growing sobriety movement among American Indians that uses healing programs, including sweat lodges, that are steeped in ancient ways. Tribal officials, meanwhile, have been aggressively promoting teachings that remind American Indians that alcohol, absent from native life for centuries, was introduced during European hegemony.

Tribal leaders say that the view of alcohol has changed starkly among the 26,000 residents of the American Indian Reservation at Pine Ridge and on other reservations, especially among the young, with chapters of Students Against Drunk Driving growing rapidly. Here in Shannon County, politicians for tribal offices often post signs with the pronouncement: "A Sober Candidate."

But it is a fierce struggle. American Indian children learn early that life is bitter, and brief, on the Pine Ridge reservation, one of the poorest places in America, where men die at an average age of 56.5, younger than anywhere else in the United States.

Burdened by poverty and suffering, their salvation from misery often comes in a bottle, ultimately a cruel hoax, as staggering rates of alcoholism contribute mightily to the early deaths.

Mr. Kills Right, who began drinking at age 6, watched his 28-year-old mother die after being pushed through a window in a drunken brawl. He watched his grandmother drink herself into oblivion. A friend had a car accident while drunk, a wreck that left him brain dead, and another friend with a drinking problem committed suicide. He saw his father drink himself into a rage nightly. Always looking for a fight, sometimes beating Britton.

"I drank beer, vodka, whiskey, anything I could get, and when I didn't have any alcohol, I used mouthwash and cough syrup to get me drunk," Mr. Kills Right said. "And every day, I prayed for death."

He had been sitting in a jail cell, locked up for public drunkenness, when a man and a woman arrived and asked him if he wanted to go with them, take a warm shower, eat a sandwich and drink a can of soda pop.

They were workers from Ampetu Luta Otipi, a

er whose name means living in a red harmony with all things. There, Mr. Kills Right underwent a purification ceremony in made of willow branches, prayed to meditated and learned that great he- y Horse had railed against drinking's poison and warned it would lead to

two Dogs, the medicine man at the ter, said that young American Indians id that drinking and despair had always culture. He said that many young men ight to see intoxication as a rite of it took a real man to be a drinker. k a young man. "What is Lakota?" g said. "And he will reply, 'Lakota is Lakota is to be alcoholic.'"

medicine man will retort: "Lakota is a koto is proud!"

tribal lands, treatment programs have shing, sometimes run on a shoestring volunteers, and sometimes financed ue from casino gambling. The Oneida isconsin, among others, used the casino build an alcoholism treatment center. a Dakota, civic leaders say that people saw drunkenness as an inevitable feature the reservation have become more out- out the scourge.

"When you go to powwows or other public events," said Tim Giago, publisher of Indian Country Today, a Rapid City newspaper, "you just don't see open drunkenness like you once did. Our people are becoming more aware of our traditional ways and culture. And they're realizing that drunkenness was not part of it."

The success of such programs has yet to be measured. A recent Harvard University epidemiological study of life expectancy was based on 1990 figures.

The study found that American Indian men in South Dakota die 15 years earlier than other men in the United States, who live to an average age of 71.66. Indian women here live an average of 66.07 years, or nearly 14 years fewer than the national average.

Diabetes is common on the reservation, and some people live almost an hour's drive from the nearest hospital. It seems that a huge majority smoke cigarettes.

Fires kill the occupants of ramshackle homes with dangerous space heaters. People freeze to death alone in the darkness in winter.

Residents of Pine Ridge are more than four times more likely than people in the rest of the United States to die in car accidents; a small minority use seat belts and alcohol plays a part in most fatal traffic accidents.

## Clinton Team Drafts Urban Schools Plan

WASHINGTON — The Clinton administration is drafting plans to expand its education agenda next year with initiatives that focus on the problems in urban public schools, many of which are overwhelmed with academic failure and are physically falling apart.

Final details of the plan have not been resolved, but a variety of ideas are emerging: from reviving an initiative to repair thousands of crumbling schools to creating a program that would reward urban districts that enact tougher academic standards and let parents choose whatever public school they want for their children.

The White House and the Education Department have been working all month on the proposals, which they expect President Bill Clinton to unveil in January and which could ignite another round of political battles with Republican leaders in Congress over a subject that he has vowed to make the defining priority of his second term.

Mr. Clinton has a lengthy list of education initiatives making their way, with mixed results, through Congress. But some school leaders and lawmakers have criticized him for not putting more emphasis on urban public education. During budget negotiations with Republican congressional leaders earlier this year, the president shelved the proposal that urban educators wanted most: \$5 billion to fix dilapidated schools.

"Urban education has not been a very visible part of the administration's agenda so far," said Michael Casserly, director of the Council of Great City Schools. (WP)

## Away From Politics

- The Food and Drug Administration has approved the first inhaled antibiotic, a medicine to help cystic fibrosis patients fight off deadly lung infections. Pathogenesis Corp.'s Tobin, or tobramycin, for inhalation, appears to increase the lung function of cystic fibrosis patients up to 12 percent during six months of treatment. (AP)
- A spectator who was injured in New York when a giant balloon at the Macy's Thanksgiving Day Parade went out of control has emerged from a coma, her lawyer said. Kathleen Caronna, 34, now listed in serious but stable condition, was injured Nov. 27 when unusually strong wind caused the balloon to strike a lamppost, raining debris on spectators. (AP)
- The Philadelphia Inquirer announced that Robert Rosenthal, an 18-year veteran at the newspaper and now its executive editor, will become the editor, the top job, on Jan. 1. (NYT)



ONE FOR THE ROAD — Cases of beer littering highway in Manhattan, Kansas, after a Coors delivery truck went out of control on an icy Interstate crashed. The driver was not seriously injured.

## Gunmen Kill 42 in Attack On Town in South Mexico

The Associated Press  
SAN CRISTOBAL DE LAS CASAS, Mexico — Gunmen attacked a small, rebel-controlled town in southern Mexico, killing at least 42 people, peasant activists said Tuesday.

If confirmed, it would be the worst attack in Chiapas state since 135 people died in the Zapatista uprising in January 1994.

Members of the peasant group Las Abejas said 42 people were killed and six were missing after the massacre Monday, according to Manuel Gomez Perez, an official of the rebels' autonomous government in Polho.

Witnesses reported hearing gunshots for four hours in the town of Acteal, Mr. Gomez Perez said.

Las Abejas sympathizes with the rebel Zapatista National Liberation Army, which set up a breakaway county government in the area in 1995.

Clashes between supporters of the local government and the officially recognized government — affiliated with Mexico's ruling Institutional Revolutionary Party — have raged for seven months, killing 30 Tzotzil Indian peasants and leaving nearly 7,000 homeless.

"It's an incomprehensible situation in which we have not been able to stop the violence," Samuel Ruiz, San Cristobal de las Casas' Roman Catholic bishop, told XEWM radio.

Few details were known about the attack because of the inaccessibility of the area.

"Many died, but we don't know for sure how many are dead and how many are injured," Mr. Gomez Perez said.

Gonzalo Iruarte, a spokesman for the diocese of San Cristobal de las Casas, reported 43 dead — eight in Acteal and 35 in the nearby village of Quexic.

Three children were hospitalized in San Cristobal with gunshot wounds, the radio station reported. Survivors said women and children were shot at point-blank range. The station said Red Cross workers had been unable to enter the area because it was too dangerous.

At least 300 people have died in similar clashes in Chiapas state since the 1994 uprising.

## An Immunity Drive

WASHINGTON — Faced with a swelling number of uncooperative witnesses, House Republicans will push for immunity from prosecution that would compel testimony on campaign fund-raising abuse, a committee chairman says.

"We're going to make a big din before it's over," Representative Dan Burton, Republican of Indiana, said after making public a new count of recalcitrant individuals.

The House Government Reform and Oversight Committee, headed by Mr. Burton, said 46 potential witnesses had asserted their Fifth Amendment rights against self-incrimination, 12 had fled the country and a dozen others were foreigners who refused to be interviewed.

Mr. Burton said congressional investigators would go to California and abroad next month in search of evidence showing how illegal foreign money influenced U.S. political campaigns.

"We will push for immunity for those who we think can help move us up the food chain," he said. "If we can get immunity for some people, we can trace sources to some of the foreign areas." (AP)

## Quote/Unquote

Bill Carrick, a veteran Democratic consultant, on the Jan. 13 special election in the diverse 22d Congressional District in California: "In one congressional district, you have so many of the different Californias right there, the old West ranching community versus the new West software entrepreneurs and the people around the universities. It is very complicated politically." (NYT)

## Mexico's Attorney General Tries to Fix the System

By Sam Dillon  
New York Times Service

MEXICO CITY — Jorge Madrazo Cuellar spent his first weeks as Mexico's attorney general investigating his predecessor's involvement in a scheme to rig a murder trial by faking the discovery of a skeleton. Later, he had to put Mexico's drug czar on trial on charges of collaborating with traffickers.

Then several police and army officers were arrested in connection with the theft of a half-ton of cocaine from an evidence room at a local branch of his own agency.

Suspecting more corruption, Mr. Madrazo dismissed all 2,300 of the country's narcotics officers and prosecutors, requiring them to take polygraph tests before they could be rehired. Three out of four of them failed.

Much of Mr. Madrazo's first year in office has been a grueling ordeal, with searing new scandals unfolding within his agency week after week. And even as he has sought to reform Mexico's criminal justice system, his efforts have been repeatedly interrupted by the demands of doing battle with the drug traffickers and other bands of violent criminals, he said.

"This is like trying to fix a car that's going 120 miles an hour," Mr. Madrazo said in a recent interview.

As the seventh attorney general in seven years, Mr. Madrazo holds the most important job in Mexico's struggle against narcotics corruption and violent crime, which have come to dominate not only relations with the United States, but also politics and business throughout much of the country.

At first he seemed an unlikely man for the former professor, he acknowledges that he is stunned when President Ernesto Zedillo told him in December 1996.

"I want to tell you that I never imagined being attorney general," he said. "That was just the aspirations of a professor of constitution."

At the time, Mr. Madrazo was president of the National Human Rights Commission, investigating abuses by the army and police. Now, Mr. Madrazo is in charge of a 17,000-member agency that is the federal police and thousands of federal prosecutors, a sprawling and discredited criminal justice system, and Mr. Madrazo has pledged to clean it up.

A recent scandal came in October, when federal local police officers, apparently in the pay of the traffickers, were accused of involvement in the appearance of 90 people along the border with the United States. Instead of issuing a knee-jerk order of police involvement, Mr. Madrazo's reaction was characteristic. "Our police are not impermeable to corruption, and I don't have anything to fear in this," he said in the interview. "So, we're going to do a serious investigation."

Mr. Madrazo has appointed a special investigator who is gathering evidence, but so far no police officers have been arrested.

Jose Miguel Vivanco, director of the Washington-based Human Rights Watch/Americas, said Mr. Madrazo, "Every time we meet, he describes his for making his agency a professional organization

can enforce the law without committing abuses.

"He has a good diagnosis of the problems, and he knows the challenge is enormous. I'm not sure he's enjoying himself; perhaps he feels isolated. But he understands the importance of the role he's playing in this transition."

Then, Mr. Vivanco added, "Many times I've seen him to be frustrated by the obstacles."

One recent frustration came when Mr. Madrazo's prosecutors accused a millionaire banker in Monterrey with defrauding investors of \$168 million and placed the banker under house arrest. A judge ruled that the banker did not have to show up in court to answer questions because he was under house arrest.

Mr. Madrazo voiced his anger publicly, saying, "The legal system is working mainly for those who have the most money."

Mr. Madrazo listed some modest achievements of his tenure. His prosecutors have achieved a higher conviction rate in criminal cases than under his predecessors, he said. Seizures of cocaine, marijuana and opium base during 1997 showed some increases, and his anti-drug agents succeeded in detaining a handful of important traffickers.

But the leaders of Mexico's top cartels remain at large, which suggests to U.S. officials that they probably continue to buy protection from corrupt officials.

Perhaps Mr. Madrazo's biggest success has been to convince skeptics, among them many American anti-drug officials, that he is serious about criminal justice reform.

## At Last, a Pill to Cure Baldness (but Read Fine Print)

By Sheryl Gay Stolberg  
New York Times Service

WASHINGTON — For as long as there has been baldness, it seems, there have been efforts to cure it: oils and creams, toupees and transplants, not to mention what hair stylists gingerly term "the comb-over."

But as much as some men may have wanted one, there has never been a baldness pill — until now.

The Food and Drug Administration announced Monday that it had given Merck & Co., the maker of crucial treatments for heart disease, osteoporosis and AIDS, permission to sell a tiny tan octagonal tablet that, experiments show, either promoted the growth of hair or at least stopped hair loss in 83 percent of men who took it.

There are, however, some drawbacks: The pill, which will be marketed as a prescription medicine under the brand name Propecia, can cause birth defects and so is not approved for women. It is useful only for the genetic condition known as male pattern baldness. It must be taken once a day, every day, for the rest of a bald man's life. And it carries a slight risk of impotence, lasting only as long as the pill is taken.

"This is not a panacea," said Dr. William Frank, a dermatologist at Beth Israel Deaconess Medical Center in Boston who has been following the progress of the drug during testing. "It's not going to grow hair on the side of every man who takes it. But the clinical studies which have been done so far are promising."

Critics, however, say the idea of a prescription drug for baldness is frivolous, and complain that no long-term studies have been conducted on the drug.

"It is a cosmetic issue," said Dr. Sidney Wolfe, director of Public Citizen's Health Research Group, an advocacy organization in Washington. "What is the risk that we are trading off for a cosmetic benefit?"

And John Capps 3d, founder of Bald-Headed Men of America, a support group for bald men, said no right-thinking bald man would even consider a pill.

"We believe that skin is in," he said.

Officials at the Food and Drug Administration, however, said they had become convinced that for some men, hair loss is nothing to laugh about.

It is estimated that 33 million American men have male pattern baldness, characterized by a receding hairline and hair loss at the vertex, or crown, of the scalp.

One survey, published four years ago in a dermatology journal, found that more than 90 percent of men who were growing bald worried about the future of their hair.

"One man's frivolity," said Dr. Michael Weintraub, the director of the Food and Drug Administration office that evaluated Propecia, "is another man's serious problem."

Merck conducted three clinical trials of Propecia, involving 1,879 men, 1,215 of whom were followed for as long as two years. Although Merck scientists studied men who had a wide range of hair loss, the experiments enrolled only men from the age of 18 to 41. Thus there are no data on how Propecia works in older men.

None of the men in the studies grew back a full head of hair. But when scientists counted the number of hairs in a one-inch-diameter circle on the scalps of the subjects, they found that 83 percent of the men had kept their hair or grown more.

And before-and-after photographs, which Merck submitted to dermatologists for evaluation, showed visible improvements in two-thirds of the men taking the pill, as against 7 percent of men taking a placebo.

Among all the subjects, 30 percent were rated as slightly improved, 31 percent were rated moderately improved, and 5 percent received a greatly improved rating.

The men began seeing results about three months after first taking the drug, said Dr.

Verá Pridem dermatologist at the University of California at San Francisco who participated in Merck studies. "This is real hair," Dr. Pridem said. "This is not peach fuzz."

But in order to sustain the effects, men must continue taking the drug for the rest of their lives.

The onside effects related to sexual function. According to Merck, 1.8 percent of the men taking Propecia experienced decreased libido; 1.8 percent had difficulty achieving erection, and 1.2 percent reported a decrease in their semen level. The problems went away, however, when the men discontinued the drug.

The active ingredient in Propecia is one milligram of finasteride, which Merck already sells as a five-milligram dose as Proscar, a treatment for enlarged prostate glands. Finasteride works by inhibiting production of dihydrotestosterone, or DHT, a potent form of the male hormone testosterone that contributes to male pattern baldness.

Finasteride also causes an abnormality in male fetuses, a condition known as hypospadias, in which the opening of the penis is on its underside rather than on the tip. Because the drug can be absorbed through the skin, Merck encases its tablets in a coating, and warns that women should not touch the actual powder.

The company has said there is no risk to the female partners of men who use Propecia. But Dr. Carlos Puig, president of the Hair Loss Council, a trade group whose membership includes doctors, said more research was needed because most of the safety data on finasteride came from studies of Proscar, which is typically given to older men.

Merck officials said they expected that Propecia, which is to be available in pharmacies next month, would cost \$45 to \$49 a month.

There is only one other medicine for baldness approved by the Food and Drug Administration: minoxidil, an ointment sold over the counter as Rogaine by Pharmacia & Upjohn Inc.

Because there have been no studies testing Rogaine against Propecia, there is no accurate way to compare the two.

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## BRIEFLY

Asian Group  
Sets Plan to  
Fight Smog9 Nations Will Upgrade  
Their Anti-Fire Measures

SINGAPORE — Southeast Asian environment ministers unveiled a regional action plan on Tuesday to try to prevent a recurrence of the smog generated by Indonesian forest fires that smothered much of the region earlier this year.

"This is very specific with a specific time frame of what we want to achieve and when to achieve it," Environment Minister Yeo Cheow Tong of Singapore said.

Mr. Yeo said participants agreed during a two-day meeting to upgrade fire-fighting capabilities, prevention and regional monitoring.

He said the nine members of the Association of South East Asian Nations would develop national plans that should include laws against fires in the open and strategy to deal with fires and smog.

Malaysia, Mr. Yeo said, would take the lead in drawing up preventive measures. Singapore would initiate regional monitoring mechanisms while Indonesia would focus on fire-fighting capabilities.

"With the regional action plan in place, ASEAN will be in a better position in the event of a recurrence of smoke haze in the future," he said.

The smog spread over Singapore and Malaysia and even reached parts of the Philippines, reducing visibility to arm's length in some places, causing widespread health problems, hurting businesses and the region's tourist industry.

It lasted from August to October. The smog was euphemistically known as haze in the region. It was caused largely by brush and forest fires in Indonesia amid a drought linked to El Nino, the weather phenomenon.

Environment Minister Sarwono Kusumaatmadja of Indonesia said he would propose a moratorium on new investments in the palm oil industry to cut down on the need to set fires to clear land.

"There was this stress on quantity that drove the investors to clear land out of proportion to what we really needed," he said at a news conference.

"And that's the one that triggered the haze problem. The drive was really not needed. If we concentrate on quality, then the whole problem will be more manageable."

Indonesia is the world's largest producer of crude palm oil after neighboring Malaysia. Both are members of ASEAN along with Brunei, Burma, Laos, the Philippines, Singapore, Thailand and Vietnam.



An airliner lying in a field after a crash landing near a Bangladesh airport. All 89 passengers and crew survived.

## Bangladesh Plane Accident Takes 55

DHAKA, Bangladesh — About 55 people were injured as a Bangladeshi airliner on a domestic flight made a crash landing near an airport in the northeastern town of Sylhet, officials and witnesses said Tuesday.

The aircraft, carrying 89 people, landed in a paddy field three kilometers (two miles) from the runway Monday night in thick fog. The cause of the accident was not immediately clear.

Witnesses said about 55 people, including the pilot, were injured. The Biman Bangladesh Airlines Fokker 28 was carrying 85 passengers and four crew on a flight from Dhaka, the capital.

An official at Sylhet airport said the plane had made several unsuccessful attempts to land on the runway. He said it broke into pieces when it landed but did not burst into flames.

Mohiuddin Khan Alamgir, the minister for civil aviation and tourism, said: "The plane has been badly damaged. It's a miracle that the passengers and crew despite crash-landing."

He was visiting the crash site and sent hospitals that the injured were in serious condition.

Mr. Fokker 28, which the airline's Fokker 28 had been grounded of the investigation into the accident.

This, he said, left the airline with only one turboprop plane to operate its routes.

Taiwan to End Ties  
With South Africa

TAIPEI — Taiwan said Tuesday that it would end diplomatic relations with South Africa on Dec. 31, one day before Pretoria plans to forge ties with China.

South Africa said Monday that its planned diplomatic ties with China would take effect on Jan. 1.

Taiwan said it would set up a liaison office in South Africa on Jan. 1 to maintain "mutually beneficial and substantial relations" with Pretoria, one of only 30 nations that recognize Taipei rather than Beijing.

"The arrangement is not entirely satisfactory, but it's acceptable," said Timothy Yang, chief of Taiwan's foreign ministry's African affairs department.

Cambodia Attacks 'Unbalanced' Press

PHNOM PENH — The Cambodian government threatened legal action Tuesday against local and international news organizations whose coverage of fighting between rival forces it considers unbalanced.

Khieu Kanharith, secretary of state in the Information Ministry, said some news organizations were relying too heavily or solely on resistance leaders as sources, resulting in one-sided coverage of fighting between government troops and resistance forces.

The government was especially critical of the Voice of America. Voloators can face fines and prison.

Talks by Koreans  
On Food Aid Stall

BEIJING — North and South Korean Red Cross delegations failed

Tuesday to agree on new food aid to the famine-stricken North, but said they would try again Wednesday to bridge differences on monitoring relief shipments.

"The most difficult thing is guaranteeing transparency of delivery," said Chang Moon Ik, a South Korean Embassy spokesman, after a second day of talks in Beijing. "If they change their attitude toward guaranteeing transparency of delivery, we can reach an agreement" (Reuters)

China to Enlarge  
Benefits Network

BEIJING — China will expand its nascent social security system to hundreds more cities and counties next year, the state-run Xinhua News Agency reported Tuesday.

The decision to extend the network comes as unemployment nationwide soars from a government-ordered restructuring of state enterprises.

Expanding the network in smaller cities and counties will be the Ministry of Civil Affairs' priority next year, the ministry chief, Doji Cering, was quoted as telling heads of civil affairs bureaus attending a national conference. China has a social security system in 40 percent of its cities. (AP)

Republicans First  
In Australia Vote

CANBERRA — Republicans strongly outpolled monarchists in a national vote to elect delegates to a conference to consider whether Australia should become a republic and sever its remaining legal ties to Britain.

Republicans won 45 of the 76 seats for the constitutional convention, to be held in February, the Australian Electoral Commission said Tuesday. Candidates who want to retain Queen Elizabeth II as head of state won 27 places. (Reuters)

## Beijing, Outraged, Rejects Jurists' Call for Referendum on Tibet

BEIJING — China rejected a call Tuesday by an international group of jurists for a Tibetan referendum on independence and dismissed allegations of human-rights abuses in Tibet as slander.

The so-called self-determination is out of the question," said Tang Guoqiang, a spokesman for the Chinese Foreign Ministry. "Tibet is a part of China."

The International Commission of Jurists, based in Geneva, called Monday for the United Nations to sponsor a referendum in Tibet on whether it should remain under Chinese control.

The group said that repression in Tibet had "increased steadily" since early 1996 as

China violated human rights in Tibet," Mr. Tang charged.

In a 365-page report, the jurists group said that an intensive political re-education drive was under way in monasteries. It also said that Buddhist nuns and other women had been raped with cattle prods and that prisoners had died in recent years from torture or negligence.

It called for a special UN human-rights investigation for Tibet.

Chinese Communist troops arrived in Tibet in 1950 to assert Beijing's claim to the territory. Its sovereignty of China, openly propagandize ruler, the Dalai Lama, fled to India in 1959 and Tibetan self-determination and slanderously received the Nobel Peace Prize in 1989 for his

nonviolent campaign for Tibetan autonomy.

Beijing says it has spent millions of dollars raising Tibetan living standards and restoring Buddhist monasteries. Tibetan activists say that other important sites have been destroyed and that economic benefits go mostly to ethnic Chinese settlers.

The jurists group said a Tibetan referendum could result in independence, self-rule as part of China, a continuation of the current situation or any other status chosen by Tibetan voters.

The authors of the report visited the Dalai Lama in India, but said they had not been allowed to travel to Tibet. (AP, Reuters)

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INTERNATIONAL

Iraq Sees U.S. 'Blackmail' Behind Security Council Demand

**BAGHDAD** — Deputy Prime Minister Tariq Aziz on Tuesday condemned a United Nations Security Council statement demanding that Baghdad allow full access to UN weapons inspectors, saying it was the result of U.S. blackmail.

"The statement issued yesterday by the Security Council mirrors once again the blackmail practices by America on the council," Mr. Aziz said in a statement carried by the official Iraqi news agency, INA.

"Aziz has called on the council to pursue an objective and balanced way and work for lifting the embargo immediately," INA said, referring to UN

sanctions imposed on Iraq after it invaded Kuwait in August 1990.

"The Americans are dominating the Special Commission and they use it to fulfill their purposes, and we have called for a balanced structure," Mr. Aziz said.

In Moscow, meanwhile, Russia's foreign minister again called on the United Nations to speed up its inspections of Iraq's military arsenals so that sanctions could be lifted as soon as possible.

"The UN Special Commission must work to ensure the earliest lifting of the sanctions, and not turn it into some kind of an amorphous, distant goal," Foreign Minister Yevgeni Primakov said at a

news conference Tuesday. His comments highlighted the rift between the United States and Russia over how to deal with Iraq.

**UN Measure Is Blasted**

Barbara Crossen of The New York Times reported earlier from New York:

The Security Council said Monday that Iraq's failure to open disputed sites to weapons inspectors was "unacceptable" and demanded once again that President Saddam Hussein allow the inspectors to see "any and all" buildings, equipment, documents and vehicles they want.

But the council, blocked by Russia with at least the tacit support of several other members, stopped short of condemning Iraq.

The statement issued Monday, which followed inconclusive meetings in Baghdad last week between the Iraqis and the chief arms inspector, contained no specific threats.

It was nonetheless welcomed by Bill Richardson, the U.S. representative, who called the statement "another strong signal" that Iraq "must comply with all Security Council resolutions."

Sergei Lavrov, the Russian representative, who was largely responsible for removing the condemnatory language

from the statement, said afterward that he thought it important that the measure included an acknowledgment that efforts are being made to find a way for Iraq to meet all its obligations. Other diplomats said this appeared to be a nod to Russian diplomacy.

Responding to calls from Russia, France, China and Egypt that Iraq should see some future hope of having sanctions eased if it is to be expected to cooperate fully, Mr. Richardson said earlier Monday that it was Baghdad's refusal to accommodate requests by Richard Butler, the chief inspector, for access to "sensitive" sites that was keeping the sanctions in place.

BRIEFLY

Netanyahu Surveys West Bank From Air

**ALFEI MENASHE**, West Bank — Prime Minister Benjamin Netanyahu and his cabinet ministers flew over the West Bank by helicopter Tuesday before announcing a decision on how much land to give the Palestinians in an upcoming troop pullback.

Mr. Netanyahu said the tour served as a reminder that Israel must retain parts of the West Bank it captured in the 1967 Middle East War.

"We have flown east looking over the Jordan Valley, realizing the importance of having that buffer against a threat from the east," Mr. Netanyahu said, after three helicopters carrying the group landed in the Jewish settlement of Alfei Menashe. (AP)

Algeria Shepherds Killed by Attackers

**ALGIERS** — Ten Algerian civilians were slaughtered by armed groups of suspected Islamic extremists in a suburb of Algiers and in a hamlet near the western city of Tlemcen, local newspapers reported Tuesday.

A gang swooped on a farm in Cheraga, on the southwestern outskirts of the capital, overnight Sunday and killed three people guarding the property and an elderly woman who had tried to raise the alarm.

Six shepherds were killed Sunday in the hamlet of Sidi-Senoussi, near Tlemcen, by attackers who slit the throats of 500 livestock before fleeing, the papers reported. (AFP)

7 Military Men Die In Colombia Crash

**BOGOTA** — Seven military officials, including two senior officers, were killed when their U.S.-built UH-1H helicopter crashed in a jungle-covered area of northwest Colombia, military spokesmen said.

Victims of the crash, which occurred Monday shortly after the aircraft took off from the Pacific port of Bahia Solano in Choco Province, included Rear Admiral Jose Augusto Matallana, commander of the Pacific Naval Force, and Brigadier General Luis Gutierrez Calderon, head of the Marine Corps' 2d Infantry Brigade.

The air force commander, General Fabio Zapata, said the cause of the crash was not immediately known. But he said an attack by leftist rebels had been virtually ruled out. (Reuters)

For the Record

Nicaragua's Sandinista newspaper, *Barricada*, will continue publishing despite a financial crisis, it says. The paper, which had been scheduled to publish its final edition on Monday, said in an article that it would sell its headquarters and use the proceeds to pay back wages to its 250 employees. (Reuters)

Medical Team Dispatched As Ebola-Like Virus Hits Flooded Region of Kenya

By James C. McKinley Jr. New York Times Service

**NAIROBI** — The World Health Organization and local medical officials are sending a team of doctors to northeastern Kenya on Wednesday to investigate an outbreak of a mysterious disease with symptoms similar to those of the deadly Ebola virus.

Government officials in the Garissa region, which has been hit hard by flooding in recent weeks, say they have received unconfirmed reports from local

chiefs with radio transmitters that at least 143 people have died from an unknown disease this month in flooded villages throughout the area, which lies on the border with Somalia.

But health officials in Nairobi said that the majority of those deaths had not been confirmed and that no doctor had examined the bodies or tested the blood of the victims.

The government doctor in the region had confirmed only three cases of the disease, all of them patients who managed to reach a hospital in the town of Garissa last week, officials said. Those three victims died after suffering for several days from high fever, vomiting, diarrhea and hemorrhaging from the mouth and other orifices, health officials said.

The symptoms are close to those caused by the Ebola and Marburg viruses, the deadly fevers that have broken out periodically in central Africa and northern Kenya since the mid-1980s, doctors said.

FLU: Hong Kong Ban

Continued from Page 1

found only in birds and poultry. But in its first known comment on this growing public health crisis, a report Tuesday on the state-run China Central Television said that border inspectors in Shenzhen, just across the border from Hong Kong, had found no traces of the virus in any birds bound for Hong Kong.

Officials of Hong Kong's health and agriculture departments said that the disease was most likely contracted from direct exposure to infected chicken or chicken feces.

Mr. Sims said the virus had been found in two swabs of chicken droppings collected from two market stalls 10 days ago and from a dead bird at a wholesale market.

The officials said they still had not determined whether humans can pass on the disease to each other. But jittery Hong Kongers are taking few chances; a young woman office worker said that she now quickly held her breath whenever she heard someone coughing on the bus and that she was searching stores for a surgical mask to wear.

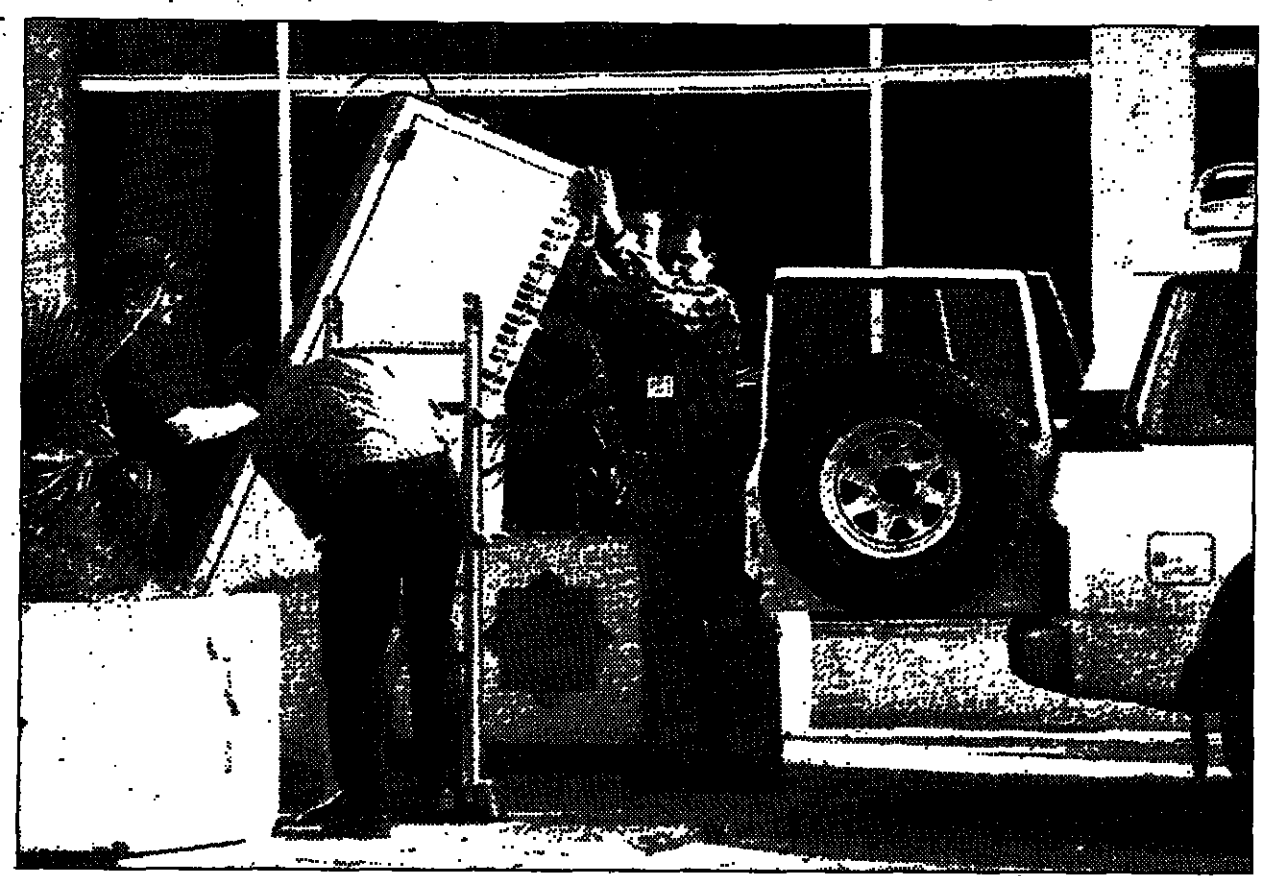
Chicken is a popular part of Hong Kong meals, particularly in this season of the winter solstice when poultry becomes a part of the traditional Chinese celebration, or are used as offerings to the gods. Most chickens are brought in live from China, bought live and tied in a bundle, and then taken back to apartments, where they are killed and plucked for cooking.

Since the outbreak of "bird flu" and the first reports tracing the disease to infected chicken, chicken sales here have plummeted, down as much as 70 percent by some estimates, and some restaurants have taken to assuring their customers that their chicken comes from Australia or the United States.

Health officials repeated their assurance Tuesday that the virus could not be contracted by eating cooked birds, but cautioned that poultry should be well-cooked. People in contact with chickens have been advised to wash their hands thoroughly.

The virus scare has given another blow to Hong Kong's tourism industry, already reeling from a dramatic downturn caused by high prices, a regional economic collapse and the earlier problem of a debilitating smog covering much of Southeast Asia that caused many Europeans to defer visits to this area.

The tourism association has issued a "bird flu" fact sheet "for arriving visitors, telling them that Hong Kong is safe and that 'bird flu' is a difficult virus to catch. But travel agencies say that some tourists have canceled plans to come here, and warnings have been posted at airports in France and Taiwan.



Members of the UN inspection team in Iraq on Tuesday trying to fit a file cabinet into a UN vehicle heading to the Baghdad airport. The United Nations says Iraq's refusal to open certain sites to inspection is "unacceptable."

WEAPON: America Lifts the Lid on Some Old Nuclear Toys

Continued from Page 1

Launched from a shoulder-fired recoilless rifle, the Davy Crockett was maintained in the army from 1961 to 1972.

With a range from just over 1 mile to 6 miles (2 kilometers to 10 kilometers), it was among the first atomic battlefield weapons given to lower-echelon troops, some of whom were stationed in Europe and the Far East. The Davy Crocketts were withdrawn from units in part because soldiers could not keep the devices as secure as regulations required.

Among the more spectacular films made public was the 1962 test entitled Operation Sedan, which saw a 104-kilogram device exploded to see whether atomic detonations could be used for peaceful purposes, such as moving earth to dig canals or create harbors. One of many "Plowshare" experiments, Sedan left a crater 320 feet deep and 1,280 feet in diameter (100 meters by 400 meters).

Along with the first release of once-classified atomic test footage, Mr. Pena announced that the government was ending a practice that considered all atomic

weapons information as "born classified." Instead, he announced, "we will only classify where there is a compelling national security interest." As an example, he said Energy Department nuclear facilities would no longer be permitted to classify information "solely related to public and worker health and safety or environmental quality."

The department also made public 270,000 pages of materials related to its giant facility at Hanford, Washington, which for almost 50 years operated nuclear reactors to produce plutonium for U.S. nuclear weapons. The papers detail how the city of 7,750 people was designed, and for the first time disclose analysis of higher than anticipated radioactive contamination at the site.

Mr. Pena also announced measures to increase security for the secrets that remain. As he put it: "Our new way of doing business will reduce the amount of information that will be kept classified, while increasing the protections for smaller amounts of critical information about our nuclear activities."

Mr. Heusser said information to be

upgraded from confidential and secret levels to top-secret classification would include documents on how to use or control nuclear weapons. Another category set for higher classification includes drawings that show how weapons are designed and built, some of which have up to now been held at lower than top-secret levels.

Part of the problem, Mr. Heusser said, was that in the past the Energy and Defense departments set different security standards for the same classification levels; these will now be brought together in one system.

In addition, Mr. Pena said two proposed new rules would be offered to protect Energy Department whistleblowers "who report potential misconduct about any of the department's activities," such as health violations or allegations of fraud.

He announced that the department would no longer automatically reimburse contractors found liable in whistleblower cases. "In the future," Mr. Pena said, "as a general rule if a contractor loses a case, they will pay."

SOMALIS: A Bold Blueprint for Peace

Continued from Page 1

week in opposition to the accord.

The agreement leaves much to be determined, including the question of who will be president during a three-year transition period before national elections. Mr. Ali Mahdi and Mr. Aidid would both appear likely to compete for the post.

But as participants in the talks described it, the agreement among the faction leaders is notable for the way in which it seeks to balance power among the country's rival clans.

The right to dispatch the 465 delegates who are to attend the meeting in Baidoa is to be apportioned by tribal basis under a formula that was debated for weeks by the faction leaders and that is intended to reflect the size and strength of the clans.

While the transitional government will include both a president and a prime minister, either could be replaced by a 13-member presidential council whose members will reflect a broad spectrum.

As a prelude to the meeting in Baidoa, the faction leaders said that they would move swiftly to carry out steps intended

to rebuild confidence shattered by years of bloodshed.

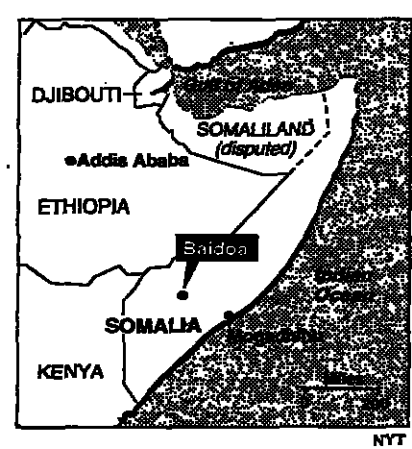
Among those that are to take effect immediately, they said, are the suspension of military operations around the country and the reopening of Mogadishu's airport and seaport.

As recently as four years ago, the plight of Somalia had captured the attention of the world, with a UN peacekeeping mission working to protect shipments of food and other goods to tens of thousands of civilians made desperate by a combination of drought and civil war.

U.S. troops who waded ashore in December 1992 were among the first to take up their places in that 21-country mission. But their focus soon became a struggle for control with the elder Aidid, whose forces killed more than two dozen American soldiers in battles that reached their climax in October 1993, and which led six months later to an ignominious American withdrawal.

The last UN troops left Mogadishu in 1995, and most Somalis have continued to live in despair, reliant on faction and clan leaders for security and basic services.

Some analysts have despaired of the



CARLOS: 'There Is No Law For Me'

Continued from Page 1

"terrorist nation." During the trial he has often referred to his arrest and imprisonment as a "Zionist plot."

Earlier Tuesday, his defense lawyers asked the judge and jury to acquit him of murder charges, saying that the evidence was manipulated and calling the trial "Stalinist." In an often-impassioned plea for the man once considered the world's most wanted terrorist, the defense lawyer, Olivier Maudret, also assured the jury that Carlos would not go free if acquitted.

Since he is also under investigation in France for four terrorist attacks, he would not be released from prison even if he was acquitted by the jury, which comprises nine civilians and three judges.

"What I propose is acquittal," Mr. Maudret said. "The solution to acquit should not shock you: Carlos will not leave jail."

"I don't ask it for Carlos," he said, "but for us, for our country, what it does best, in the name of law and truth."

The lead defense attorney, Isabelle Courant-Peyre, called the proceedings "a political process" and "Stalinist."

Earlier, Francois Honnorat, another defense attorney, said that the prosecution had based its case on evidence fabricated by intelligence agents working for the French government.

Carlos listened quietly, dressed in the same blue blazer and multicolored ascot he has worn since the proceedings began. He faces life in prison if convicted.

Mr. Honnorat accused French authorities of manipulating witnesses and falsifying fingerprint evidence.

Prosecutors' physical and circumstantial evidence has included fingerprints on a whisky bottle and glasses at the Left Bank apartment where the killings occurred; more fingerprints on a postcard addressed to a Venezuelan friend and compromising accounts of conversations from former friends and lovers.

Carlos was captured in Khartoum, Sudan, on Aug. 14, 1994, and brought to Paris by French agents.

He was convicted in absentia for the killings in 1992, but once he was captured, French law required that he be given a retrial.

In Europe, Good-Bye to Ben & Jerry's? EU May Ban U.S. Dairy Products Jan. 1

**BRUSSELS** — U.S. dairy exports to the European Union worth \$30 million a year could be barred starting Jan. 1 after the European Union failed to approve a list of U.S. dairy plants that Washington says meet the EU's hygiene standards, American officials in Brussels said.

The officials said the decision could prevent exports to the European Union of well-known ice cream brands like Ben & Jerry's, manufactured by Ben & Jerry's Homemade Inc., and Grand Metropolitan PLC's Haagen-Dazs, as well as other yogurt, cheese and milk products.

The problem resulted from the failure of the two sides to adopt a food trade pact before the end of the year that would recognize each other's hygiene standards and supersede individual agreements between the United States and the 15 EU member states.

Either the European Union must vote

to accept a list of approved dairy factories proposed by the United States, or EU inspectors must inspect about 200 U.S. plants, American diplomats said.

The problem is part of a long list of trans-Atlantic agricultural trade disputes, which were heightened last week by the EU's threat to ban all U.S. meat exports and the U.S. ban on all EU lamb and beef the week before that.

Washington had expected the European Union to approve an 11-page list of milk processing factories at a meeting of its veterinary committee on Dec. 16, but the list was not put forward for a vote, American officials said.

The United States is hoping that EU governments will vote to approve the list at a special meeting of the European Union's veterinary committee Jan. 7.

In the meantime, it has appealed to the customs authorities of the EU member states to take a flexible approach regarding products already in transit on Jan. 1.

U.S. to Let Firms Bid for Turkish Sale

**WASHINGTON** — The State Department authorized U.S. companies Tuesday to compete for a contract to supply attack helicopters to Turkey, a spokesman said.

A department spokesman, James Foley, said that after a joint State Department and Pentagon review of requests by American companies, Secretary of State Madeleine Albright "today decided to allow U.S. participation in this competition."

"Her decision is fully consistent with our policy concerning arms transfers to Turkey," Mr. Foley said. "We seek to support this important NATO ally's efforts to meet its legitimate self-defense requirements, and to fulfill its NATO commitments."

ACTRESS: Jury Awards Hunter Tylo \$5 Million for Being Fired

Continued from Page 1

of the law to deal with the issue of pregnancy discrimination as it impacts actresses," he said after the judgment was rendered in Los Angeles Superior Court.

In a statement after the decision, Sally Suchil, general counsel for Spelling Entertainment Group, vowed to pursue the case further.

"We completely disagree with the jury's verdict, which we believe is inconsistent with both the law and the evidence in this case," she said. "The award is not based on the evidence presented and is even more than the plaintiff asked. We will appeal the verdict and are confident that we will be vindicated at the appellate court level."

Miss Tylo had asked for \$2.5 million.

She was playing the psychiatrist Taylor Forrester on a daytime soap opera, "The Bold and the Beautiful," when, in late 1995, she joined the "Melrose Place" cast in the role of Taylor McBride.

The popular evening soap, on the Fox network, tracks the intricately interwoven lives of the uniformly sexy inhabitants of an apartment building in Southern California. A mélange of skin, deceit and improbabilities, the program is the brainchild of Aaron Spelling, a producer legendary for his frothy, racy touch.

According to Mr. Goldberg, Miss Tylo told the "Melrose Place" producers that she was pregnant in March 1996, when she was only a month along. It was her third child; the baby, Isabella, was born in November 1996.

The producers decided to fire her "within 5 or 10 minutes," Mr. Goldberg said, and informed her by letter on April 10, 1996. She never made an appearance on the show.

Since Miss Tylo filed suit, the "Melrose Place" star Heather Locklear has become pregnant, and the show continued with her in the leading role. Lisa Rinna, who replaced Miss Tylo in the role of McBride, recently announced her own pregnancy. The show's producers

have indicated that they will write the baby into the script.

Spelling Entertainment Group said there was no parallel between Miss Locklear's pregnancy and Miss Tylo's. Miss Locklear is the star, it said, while Miss Tylo's character was still on the drawing board when she was fired.

"Equating the creative importance of a pivotal established character with a not-yet-introduced character is absurd," the statement said. The company also said it had offered Miss Tylo a role in the series after she gave birth.

Nothing in the law requires a company to cast a visibly pregnant actress in the role of a hard-bodied seductress, the company insisted. In a deposition read during the trial, the executive producer, Frank South, said it was "not dramatically sensible" to have a woman who is five months pregnant "rolling around in bed with our stars."

Miss Tylo, meanwhile, has returned to "The Bold and the Beautiful" and is again pregnant.



# Herald Tribune

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## Support for Inspection

Much has been made of the fact that Russia, France and China apparently stand ready to veto any American bid for United Nations approval of force in Iraq. A veto by one or more of the permanent members of the Security Council would leave President Bill Clinton in a tight spot. To ignore the veto would be heavy political damage, setting a precedent damaging to the basic integrity of the council. But to respect the veto could enable Saddam Hussein to keep and further develop his weapons, in his hands, menacing weapons of mass destruction.

The Clinton administration's public statements indicate that the president is prepared to act alone or in small coalition to suppress such a threat, but his word is not everywhere received as credible.

Left somewhat obscured in the tumult is the other veto option relevant to Saddam Hussein's defiance. The United States pledges to veto any easing of economic sanctions until Iraq is in full compliance with Security Council resolutions aimed at discovering and dismantling its special weapons.

The administration does not enjoy full international support for military action, but it does for arms inspections. On Monday the council reaffirmed the mandate of the inspectors to go anywhere in Iraq to root out suspected weapons, equipment, records and the rest. The mandate covers Iraq's so-called presidential sites, some of which are large, sprawling places having nothing to do with the president's quar-

ters or offices and everything to do with Saddam Hussein's anthrax preparations. Plainly, that is why he has unilaterally declared these sites off bounds to the inspectors.

Saddam Hussein has made a tragic exploitation of his suffering population by refusing to use the diplomatic means available for its relief. Up to this point, however, the Russians, French and others taking a softer line have not said that sanctions should be lifted, despite the Iraqi leader's refusal to permit full-access inspections. On the contrary, they demand that he permit such inspections. That leaves Iraq under tremendous pressure not simply from Americans, but from Russians whom he seeks to cultivate. It leaves Washington now saying to Moscow that it is Russia's responsibility to deliver Saddam Hussein to the UN resolutions on inspections. And so it is.

The Russians, pursuing their own foreign policy agenda, may claim that they are keeping American bombs and missiles from being fired at Iraq. But they are also now counseling the Iraqis to let the inspectors do their job.

Iraq condemns the chief UN arms inspector as a "liar" for asserting that Saddam Hussein is hiding evidence of prohibited weapons at the presidential sites. But a far better method than public debate is available to measure the truth of the inspector's charges and the regime's denials. It is, of course, the inspections. Even the Russians—even the French—seem to agree.

—THE WASHINGTON POST.

## Against Global Warming

The global warming accord was barely signed in Kyoto this month when critics pronounced its chances of ratification by the U.S. Senate to be nil. If that is true, the Senate has clearly misread the American public, which in every survey has expressed an appetite for decisive action. The Senate's attitude defines what could be President Bill Clinton's biggest challenge in the new year—leading the Senate where the public wants it to go.

Few scientists doubt that the warming of the earth's atmosphere, caused by carbon dioxide and other greenhouse gas emissions, poses a gigantic threat. But even before Kyoto, the Senate had voted, 95-0, to reject any treaty that damaged the American economy or did not require developing countries to have their own energy conservation programs. The Kyoto agreement seems not to have satisfied many senators on either count.

Mr. Clinton must therefore spend the next year enlisting the participation of developing countries and persuading Congress that the market incentives, tax credits and other strategies he has in mind will dramatically improve energy efficiency nationwide and allow America to meet its emissions targets without throttling the economy.

Getting the developing countries to sign up will not by itself carry the day in the Senate. At least 20 senators are unlikely to vote for the treaty in any circumstances, viewing the science as dubious or any kind of environmental regulation as offensive. The key to ratification will be the stance of such pro-environmental Republicans as John Chafee of Rhode Island, James Jeffords of Vermont and Olympia Snowe of Maine. In addition, John McCain of Arizona and Richard Lugar of Indiana, both conservatives, have a record of sensitivity to American in-

ternational obligations and down the road may well be persuaded to support the treaty, and bring others along.

American attitudes toward energy have changed since the 1970s, when gasoline lines and high prices gave sacrifice a bad name. Americans have also coalesced politically around supporting the environment. Senate and House Republican leaders learned that lesson painfully in 1995 when they tried and failed in their assaults on the Clean Air and Clean Water Acts. In addition, as Mr. Clinton pointed out, every major environmental advance of recent years has been described as a potential economic disaster, only to prove more doable than previously thought.

A two-thirds vote in the Senate is required for approval. Millions of dollars will be spent by energy companies, agribusiness and labor unions to portray the administration as bent on destroying the economy. Some Republicans are hoping to demonize the global warming treaty as they demonized Mr. Clinton's health care proposals in 1994. But it is also interesting that some Republicans have begun saying that they do not want to help Vice President Al Gore ride the environmental issue to the White House in 2000. That means they might be willing to support a treaty and share in the credit.

Any serious American effort to reduce greenhouse gases will require sacrifice. Even economists sympathetic to the environment warn against voluntarily bringing a repeat of the 1970s oil shock. The environmental movement would be making a mistake to belittle the anxiety Americans feel about such warnings. But critics of the treaty will make an even greater mistake if they underestimate the public's anxieties about global warming—and their resolve to address it.

—THE NEW YORK TIMES.

## Other Comment

### Take a Fresh Look at Cuba

The time comes when broken relations between neighboring countries demand a hard look and consideration of change. That time is now for the United States and Cuba.

Thirty-nine years ago when Fidel Castro brought Soviet-style communism to the Western Hemisphere, Washington's hard trade embargo made some sense politically. Not now. Now Mr. Castro and Cuba stand in the international shadows. The Cuban people deserve a break. Lifting the embargo enough to allow U.S. companies to sell them food, medicines and medical equipment could bring them relief.

The people have suffered under an obsolete economic and political system that has deprived them of the most elementary freedoms. Their plight has been exacerbated by the embargo, which

made life more painful while failing to rewrite political realities. Suddenly, a handful of forces are coming together that could create historic change.

A new generation of Cuban-Americans, people who played no role in the 1958 revolution or the fumbled attempts at counterrevolution, are replacing the hard-line exiles who have shaped U.S. policy toward Cuba.

Congress should pay close attention to what Pope John Paul II has been able to achieve even before his planned visit to Cuba in January. Hundreds of Western journalists will be roaming the country before, during and after the papal visit. Cuban-Americans will be permitted entry to visit their relatives. Christmas will be celebrated as an official holiday. This may be a changing Cuba, and Washington would do well to look for positive opportunities.

—Los Angeles Times.

## EDITORIALS/OPINION

# A Palestinian State in Israel's Security Equation

By Henry Siegman

NEW YORK — Benjamin Netanyahu and his cabinet are under pressure from the United States to produce a plan for further Israeli redeployment in the West Bank. So far they have failed to come up with a plan.

The cabinet is riven by ideological, political and personal differences. Some members oppose return of any land to the Palestinians. Infrastructure Minister Ariel Sharon proposes Palestinian Bantustans limited to about 35 percent of the West Bank. Defense Minister Yitzhak Mordechai's "security" map calls for retention by Israel of 55 percent.

In the end, there will be a Palestinian state in the West Bank and Gaza.

There will be provision for demilitarization of the new state and for arrangements that will assuage to a certain extent Israel's security concerns, including minor territorial adjustments. The maps now being argued about could not be more irrelevant—except for the fact that even the most pharisaic proposals mark a historic turning point.

They come to terms with the partition of Israel and accept the principle of returning territory to the Palestinians, a principle that was always rejected by Likud. Indeed, it was Likud's

insistence on retention of the entire land of Israel that essentially defined the party and justified its existence.

The various maps have confirmed the principle of territorial partition. Therein lies their importance, not in the borders they advocate. The principle will inexorably lead to a Palestinian state in most of the West Bank and in Gaza.

Palestinian reluctance to dismantle terrorist operations, however politically destructive and morally reprehensible, will delay the outcome but in the end will not prevent it.

The reason for this inevitability is not the effectiveness of the peace process or the genius of the Oslo accords. The Oslo agreement is deeply flawed, although it was the most that could be achieved at the time. The peace process that it triggered has not been so cleverly contrived as to make it irreversible.

Rather, it is the relentless logic of history that will yield a Palestinian state. The question is not whether it will happen but when, and at what further cost in human suffering.

The state will emerge not as a reward for Palestinian good behavior but be-

cause at the end of the 20th century it is inconceivable that a people with its own culture, faith and political identity can remain under permanent occupation by a power utterly foreign to it. The days when dreams of such permanent foreign rule could be entertained are gone forever.

Given the inevitability of the outcome, it is tragic that Israel's current political leaders are so lacking in vision as to fail to understand that resistance to this historic process, even if motivated by merely tactical considerations, creates resentment and bitterness that undermine the very security in whose name their policies are defended.

The talk about "reciprocity" from the Palestinians is a smokescreen, for the list of Israeli violations of the Oslo accords is as long as the list of Palestinian violations.

Similarly, the ineptitude of Palestinian leadership—its reluctance to take on the terrorist infrastructure in territories under its control and its failure to build a democratic political culture and transparent institutions (despite demands from the Palestinian population for accountable political leadership)—has done immeasurable damage to the Palestinian cause.

Among other things, it has weakened the pro-peace forces within Israel and in the American Jewish community.

A peace agreement will become possible when Israel's leaders finally accept the truth that granting Palestinian freedom and political independence is not a matter of Israeli altruism but an essential precondition for Israel's security. That is the truth which Yitzhak Rabin came to understand and which made possible the Oslo accords.

Absent such understanding, even the smallest compromise is seen as a gratuitous gift to an undeserving adversary. That is an attitude that will not prevent the emergence of a Palestinian state but will further damage Israel's security interests. These interests can be served effectively only in a context of negotiations that accept the legitimacy of both sides' basic aspirations.

President Bill Clinton and Secretary of State Madeleine Albright are to be commended for having set that context as the goal of their initiative to revive the Middle East peace process.

The writer, a senior fellow at the Council on Foreign Relations, contributed this personal comment to the International Herald Tribune.

## Post-Suharto Indonesia Will Need a Reformed System

By Philip Bowring

JAKARTA — President Suharto is again visible, having apparently recovered from tiredness, but his political health has never been weaker.

He is not threatened by anyone in particular. Authority remains in his hands. But personal power no longer translates into decisive government. There is a vacuum, as lack of implementation of the IMF support package vividly demonstrates.

Age and his biggest mistake—outrageous commercial favors for his family—are catching up with Mr. Suharto just when leadership and good example are most needed to face economic crisis. With the El Niño drought adding to the nation's woes, luck, too, seems to have run out.

What the Chinese call the "mandate of heaven" is slipping, as at high and low levels of society the opinion spreads that he is now more a liability than an asset. He will ignore overt calls for his departure from known critics. What matters is whether he listens to those who are the cogs, big and small, in his system.

None will say it to his face, but they say it to each other—publicly damn him with faint praise, or politely defer endorsement of his re-election in March. Officials contradict each other, and even the first family shows signs of rivalry.

It may just be wishful thinking, but even many close to the center now believe there is a 50-50 possibility that he will not start another term.

Mr. Suharto's reappearance last week comforted the public in the short term. People fear his sudden departure. But they recognize the need for painful reforms if the currency is to stabilize and the government is to provide leadership through what is likely to be at least two years of hardship.

The reform needed to bring back foreign capital and reas-

sure local depositors is not just a question of reorganizing and recapitalizing the banks, difficult though that is. It means taking an axe to monopolies such as in food and forestry, which have been a source of cash lubricating the political structure, and to the privileges of the president's children.

The offspring have not only achieved extraordinary wealth (and debts) but have distorted policies toward key industries such as power and cars. Mr. Suharto strong enough to override his family instincts?

The urban elite had grudgingly tolerated such abuses, and its own lack of political participation, so long as they were prospering. Now they link the sudden change in their fortunes to the family as well as to political stasis and the uncertainty over succession.

Who will be president and vice president in March? That will be a start, but not the end of uncertainty. Mr. Suharto may be just fit enough to remain president for now. But for another five years?

If he stays, he is almost certain to be persuaded to leave a military vice president. At least five names are among the possibilities, headed by the incumbent Try Sutrisno.

Were Mr. Suharto to step down, the permutations are endless. One is that Mr. Try would succeed. He has few enemies in the military or elsewhere, and no damaging business connections. Critics say he is neither bright nor dynamic.

Some surmise that Mr. Suharto might more willingly step aside if his elder daughter Tutut became vice-president, providing some protection for himself and his family from the fate that befell the Chun Doo Hwan and Marcos clans. But for many, Tutut would represent "family business as usual."

Simply changing a few names at the top is not enough to deal with the underlying causes of economic crisis or to meet new political aspirations.

The next president will start with goodwill but only a fraction of Mr. Suharto's personal authority. He will have to build a coalition of interests to support a common goal.

The military is the nation's strongest institution, and its importance has been emphasized by outbreaks of disorder in the past 18 months. Further troubles are likely as the economic fallout from the currency collapse gathers momentum.

Urban workers are being laid off, and prices are rising because of devaluation and drought. Next month is not only the New Year but also Ramadan, when workers normally get a bonus. If companies cannot pay, expect trouble.

The military is ready and willing to take a tough stance toward isolated disturbances. But it would be another matter altogether if the Jakarta lower middle class took to the streets. The military is thinly spread and knows it.

Well before the economic crisis, religious and ethnic tensions were on the rise as groups maneuvered for position in preparation for political change. Genuine radicalism, whether on the left or among Muslims, is still at the fringe. There is no huge ideological divide, as between Communists and Islam, or Cold War ingredients as in the 1960s.

The economic crisis will pass, and the family can be put in its place without turning society upside down. But there is as yet no alliance of the center, as between the military, business, church and civilian groups which ousted Ferdinand Marcos and thwarted the Communists.

There are many personal as well as group rivalries. So long as the army holds together, these should be contained within the existing socioeconomic structure. For now, moderates from assorted camps will compromise with each other to protect national unity and the gains of 30 years. There is a constitution, however imperfect, to follow.

But the longer a change of leadership and housecleaning are put off, the sharper the internal tensions and the greater the dangers of splits in the military, street-level discontent and economic nationalism, aimed at ethnic Chinese as well as at foreign capital.

Indonesia has competent technocrats, believes in modernization, is instinctively tolerant and has excellent longer-term economic prospects. But it needs a new president and a broader political base to handle today's stresses.

International Herald Tribune.

## Caught Trying to Gag a Dissident

By Jonathan Mireky

HONG KONG — The White House recently tried to prevent the Voice of America from broadcasting an interview with the Chinese dissident Wei Jingsheng because it would offend Beijing. The move backfired on U.S. and Chinese authorities.

The White House had made a deal with Beijing. In exchange for releasing Mr. Wei from prison and letting him fly to America, President Jiang Zemin would receive the fullest honors and dignities in Washington. Mr. Wei would not be released until after Mr. Jiang's October visit, so that China's act would not look too much like bending the knee to foreigners. And there was apparently an implicit deal under which Washington agreed that Mr. Wei would not be used "politically."

James Sasser, the U.S. ambassador to China, learning of the coming VOA interview with Mr. Wei, called the National Security Council to say that such a broadcast could imperil the release of other dissidents and violated an understanding that Washington would not exploit Mr. Wei.

There were to be two broadcasts, one by the Voice of America and the other on Worldnet. The Voice is funded by the U.S. government but, like the BBC, is largely independent. Worldnet is essentially a propaganda station.

Sandy Berger, the national security adviser, called top officials at both stations. White House spokesman Mike McCurry said after the row became public that "we would not make any effort to violate the editorial independence of VOA." But it was "perfectly appropriate for VOA to understand what the consequences of some of its broadcasts might be from our perspective."

VOA went ahead. Worldnet canceled. David Burke, chairman of the independent International Broadcasting Board, which keeps an eye on U.S. broadcasting, said it was "disgraceful that anyone in government would circumvent the VOA Board of Governors, which was designed to be a fire wall against that kind of pressure."

Just after the VOA broadcast,

China's Foreign Ministry spokesman, Tang Guoqiang, said: "We are against any country using Wei Jingsheng against the Chinese government."

Human Rights Watch/Asia took the opposite side. Said its Washington director, Mike Jendrzewski: "We can only assume from this that offending Beijing is more important to the administration than exerting pressure on China to release more dissidents and improve its human rights record."

A Washington official explained: "The VOA broadcast went ahead, right? But we could say to Beijing, 'Look, we pointed out to VOA that this could cause trouble. But VOA is not just a tool of the government.' That way we show we tried, and they get a civics lesson."

A spokesman for Mr. Berger insisted that he had never asked the VOA to cancel. That is disingenuous. What Mr. Berger wanted was a cancellation, and good for VOA Director Evelyn Lieberman for telling him to jump in the lake.

There is a lesson here for Beijing. Even one of Bill Clinton's most senior aides could not snuff out freedom of speech in a broadcasting station funded by the U.S. government.

That is the liberty that Chinese Communist leaders will never understand, and that Mr. Wei symbolizes.

The writer, East Asia editor of the Times of London, contributed this comment to the International Herald Tribune.

## Toward the New NATO Concept

By Frederick Bonnard

BRUSSELS — On Dec. 16, the foreign ministers of the 16 NATO countries solemnly signed the protocol of accession for the Czech Republic, Hungary and Poland. This is the penultimate step in the enlargement process and is historic partly because that meeting of the NATO Council was the last at 16. The three acceding countries will now participate (albeit without a vote until ratification) in all the alliance bodies.

But the main historic import is the effect on the nature of the alliance. This change, and others that have taken place, will have to be reflected in its strategic concept.

Work on the new concept is under way. Last July, NATO's leaders directed the organization to update the 1991 concept, and on Dec. 16 the ministers approved terms of reference. It is due to be presented at a Washington summit in April 1999, the 50th anniversary of the alliance. By then, parliamentary ratification for the three new members should be complete.

Strategic concepts were simple when a direct threat was measurable in army divisions, air squadrons, ships, missiles and nuclear warheads, all of them in known geographic locations. But what is the force posture, command organization and political backup required to counter a Saddam Hussein, who may have a biological warfare arsenal, and would any reaction to him be an automatic NATO responsibility?

NATO has intervened in Bosnia at the request of the UN Security Council. Will it do so further afield, say, somewhere in the Near East or North Africa,

to counter a gruesome situation in which streams of refugees head for Europe? How likely are such challenges, and how ready are NATO nations to make the required effort and sacrifices to maintain military forces at levels to deal with them?

That is the sort of questions that would have to be resolved before the formulation of a clear strategic concept from which organization and method of operation would automatically develop. But such questions cannot be answered simply. Fully clear on the contrary, are the events that are already shaping force requirements, and the willingness and ability of member nations to contribute.

The experience of Bosnia is now part of modern training and exercises, both at national and at alliance levels, including that with members of the Partnership for Peace program. This came out clearly at the recent first exercise of a combined joint task force headquarters, the new NATO element destined to take on the command of any detached operation, including peacekeeping.

By applying the Bosnia example, this headquarters was able rapidly to deploy a command chain to control the required mix of allied forces and project them to cope with the situation. NATO's military structures will be organized to cope with similar emergencies, and this will be reflected in the strategic concept.

It is vain to expect that, because Bosnia-type crises are more likely to arise in or near

Europe, the Europeans will relieve the United States of a large part of its present share of resource expenditure. European defense budgets will remain level or will decline, even though within them modernization is taking place. Although this means a lesser capability in the immediate present, in due course the result will be more modern forces, more capable of forward projection.

It is not burden-sharing that is of primary importance. What really matters is the understanding that an encroachment on any member is an encroachment on all. Maintaining the freedom and security of member nations must remain the core task of the alliance, however remote any present threat.

The need and ability of members to pool their national armed forces in a common military organization is an evident consequence. Practice over many years is breeding new military forces able not only to operate together but to think in alliance terms. This applies to any operation, be it new peacekeeping action or the common defense commitment.

This spirit engenders the solidarity, inside Europe and across the Atlantic, that is the real basis of the alliance. It provides military strength and moral justification. It is NATO's most important asset, and this should come across clearly from the strategic concept.

The writer is editorial director of NATO's *Sixteen Nations*, an independent military journal. He contributed this comment to the International Herald Tribune.

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

### 1897: Opening China

NEW YORK — The *World* says: "The partition of China undoubtedly means a great improvement in the material welfare of the Chinese. Nothing European rule could inflict upon them could approach the grinding cruelty of their Tartar rulers. But until the civilized world shall readjust itself to the changed conditions resulting from the opening up of the Chinese Empire, there will be mighty and painful disturbances among the civilized peoples of Europe and America."

### 1922: French Jobs

PARIS — France has virtually no unemployment and faces a great lack of farm workers. Latest statistics show an impressive net decrease of population. The idea seems to be gaining that France, which never has encouraged immigration, might

wisely do so under unprecedented economic conditions. France might derive much profit from carefully selected immigration.

### 1947: Great Soakers

LONDON — George Bernard Shaw believes some of the greatest creative geniuses could not have done without liquor. The trade paper "Irish Listening World" asked him whether he thought writers would attain greater creative thought if they would abstain from alcoholic stimulants. Mr. Shaw replied: "Some of them would be unable to do without them. I was a soaker. Beethoven was a soaker. Sheridan was certainly not a TT (teetotaler). Nor was Moore. On the other hand, some great thinkers, poets and saints have been abstainers. I myself am a vegetarian and a TT. But I cannot prove that I should not do better if I lived on brandy like Edmund Kean."

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OPINION/LETTERS

## How the West Sped Asia On Its Road to Ruin

By A.M. Rosenthal

NEW YORK — Maybe it is the arrogance that comes from power, maybe some other intellectual disease, but governments, politicians and particularly capitalists of the West are not getting the real messages that come from the collapse of Asian economies.

The lessons are that they themselves, these Westerners of economic and political might, helped speed Asia to its disasters — and that unless that truth is accepted, waves of collapse will come crashing again and again.

All over the West, government bureaucrats, politicians and journalists are telling us, with almost unbearable smugness, that Asians finally are understanding that democracy, openness in business dealings and nonauthoritarian rule of law are all essential to the practice of capitalism. But don't worry, they say, the computerized global economy will make sure everything turns out jinn-dandy.

A few things are wrong with those sermons. First, capitalism has shown itself flexible enough to have worked for the security of rulers, and the profit of investors, under governments based on fascism, religious fundamentalism, slavery, internal terrorism, apartheid, absolute monarchy, militarism — the whole nasty menu of nondemocratic regimes. Now, backed by Western billions, it helps maintain a Communist government in China.

The real lesson is that openness and freedom are essential not to capitalism in all its incarnations but to a specific form of capitalism. That is, democratic capitalism — the combination of a free political society and an open economic system, without control by government-business conspiracy or partnership.

Democratic capitalism is what Westerners want for themselves but did not think was important for Asians. They invested hundreds of billions in forms of capitalism that destroyed democratic capitalism.

As Kim Dae Jung, South Korea's president-elect, has said, "Asian values" never precluded democracy. He said that long ago, when he was under house arrest by South Korean dictators and ignored by Westerners doing business with his captors.

Take a quick look around. American capitalists race Euro-

pean capitalists to sink money into China's economy, knowing a great chunk goes to the Chinese armed forces. French, Russian and German investors line up in Iraq for contracts with Saddam Hussein — effective only if sanctions are lifted. So, at the United Nations, that becomes the goal of the investors' nations.

In parts of the Middle East, Western investment goes almost entirely into despotisms that have no intention of permitting political, religious or business freedom. Russia, supposed to be a developing capitalist partner, helps Iran build missiles. For the story in detail, read the special report by Kenneth Timmerman, an American expert on Iran and weapons proliferation, in the January Reader's Digest.

Now back to Asian countries flooded by their own systems of capitalism: capitalism based on cronyism, familism and corruption, and ruled by economic combines. Their members are government, bank and business cliques that get together to decide who gets contracts and how they are split. Also: who gets loans, at what rate and with what collateral, excuse the thought. For what they do every day, in America they would all be in jail.

Foreign investors knew what they did. They knew they were not investing in democratic capitalism but in secretly run systems that perverted the techniques of capitalist marketplaces until they destroyed them.

But Western businessmen and governments did not think it mattered, bottom line. When they found out that they were oh so very wrong, they and the Asian governments peering into the chasm of default got the International Monetary Fund to pull them back.

Even political democracy is no guarantee of creating democratic capitalism if its leadership is fragmented and foolish enough — see India. Cosmetic changes in places like Indonesia or Malaysia will not do it either.

Western investors and governments themselves cannot guarantee Asia what it needs — capitalism prospering in and for democracy. But they can help — by not giving the fruits of democratic capitalism to governments that destroy the tree.

The New York Times.



## LETTERS TO THE EDITOR

### American Culture

Regarding "Cinéma Vérité in Europe: Rejecting U.S. Culture" (Opinion, Dec. 16) by Richard Pells:

Rejecting U.S. culture is not about rejecting the values of the free market and entrepreneurship, as Mr. Pells suggests. It is about rejecting a culture that has produced the phenomenon he optimizes: Americans' belief in the superiority of their values and an evangelical zeal in proselytizing.

It is this unquestioning acceptance of the superiority of all things American that Europeans refuse to swallow.

The more Americans tout the superiority of their values, the more they testify to the failure of American culture.

TOMILA LANKINA,  
Oxford, England.

Mr. Pells's article underlines the narrow-minded way in which Americans view Europeans and the inflated view they have of themselves as deliverers of "culture." The suggestion that European youths hostile to American movies are influenced by Marxism is absurd.

As an educated European and as a strong supporter of capitalism, I don't reject American movies for being commercial. I reject them for being shallow, predictable and, more often than not, downright bad. I will take an intellectually stimulating English, French or Italian movie anytime.

There are, of course, brilliant American movies, but they are few and far between.

European youths' rejection of U.S. culture does not mean they reject the free market or are "skeptical about the benefits of privatization." It is rather a sign of intellectual maturity, something that is missing in the United States.

MICHAEL BJORK,  
Hong Kong.

### Khatami's Importance

Regarding "Iran's Real Hope Is Its People" (Opinion, Dec. 22) by Azar Nafisi:

Ms. Nafisi fails to recognize the importance of Mohammed Khatami's election as president. Because he represents the people, he is daring to bring about, slowly, many liberating changes. Against all odds, he has proposed

a dialogue with the "Great Satan," the United States.

Perhaps Mr. Khatami, given enough time and encouragement, will be the one to democratize Iran.

VICTOR N. OSCODAR,  
Anglet, France.

### Tall Tales

Regarding "Trail of Lies Leads to an Empty Grave at Arlington" (Dec. 13):

As a veteran of the U.S. Army, I was appalled to read about the lies and deceptions spun by M. Larry Lawrence.

It is difficult to believe that he could have fabricated such tall tales without anyone's detecting them earlier.

The senators of both parties who in 1993 questioned Mr. Lawrence's qualifications for the post of ambassador were more than justified in their doubts.

Having been a resident of Switzerland for more than 25 years, I have seen a succession of good to excellent U.S. ambassadors to this country. Sadly, Mr. Lawrence fit neither category.

PETER P. MORF,  
Bern.

## The Sinking of the Titanic: A Romantic Ideal Lost

By Richard Cohen

WASHINGTON — "Titanic" is number one at the box office and that is as it should be.

This is a terrific film — and at over three hours, a long one, too — marred by a kitschy plot and some awful dialogue.

But the hours whiz by and the emotions rise and fall like the sea itself. In a way, it is wrong to say

the Titanic sank. As a tale, as a lesson for us all, it steams on to an unreachable horizon.

I am something of a Titanic junkie. I have read the requisite books beginning with Walter Lord's "A Night to Remember" and seen all the films by now. I have also seen the current Broadway musical, a stunning theatrical event, and of course I have watched the TV shows.

The story of the Titanic endures, although few cross the oceans in ships anymore and almost no one goes down in them. The prime reason, of course, is that the story is not only about them — the passengers — but about us as well.

Both the Broadway play and the movie emphasize the role of luck, dumb luck, in who lived and who died. In the play, a man arrives at the dock too late and misses his rotten luck. He has missed the Titanic.

In the movie, our hero, played by Leonardo DiCaprio, wins his ticket in a poker game — and he is off on a return voyage to America. His luck runs out when the ship sinks.

Luck has many names — fate is one — and anyone sentient must be in awe of it. For unaccountable reasons, some people get on a doomed airplane and others do not. It is the sort of happenstance to give one the shivers, if you think about it — which is why most of us prefer not to.

Then, too, the Titanic story is about the limitations of technology, of science. This was the unsinkable ship, a modern marvel and yet it like TWA Flight 800, simply vanished. A hole in the ocean, a hole in the sky — it is the same.

People who managed to control almost all aspects of their lives — the wealthy and the powerful above all — died because for a short while they put their faith in technology, and they were betrayed.

The Washington Post.

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# As Film Costs Rise, Hollywood Bets It All on Openings

By Peter Passell  
New York Times Service

NEW YORK — "Titanic," "Tomorrow Never Dies," "Scream 2," "Anastasia," "Flubber" or "Amistad." If you haven't been drawn to the blockbusters released in the United States since Thanksgiving, wait a day or two. Something new will come along: "As Good as It Gets," "The Postman," "Kundun." For even as the cost of making and marketing the typical big-budget film approaches \$70 million, the window of opportunity for finding an audience is shrinking. "It's as if Procter and Gamble had to launch a new toothpaste every other week," proposed Frank Rose, author of "The Agency," a history of the William Morris talent agency.

Many people in the business are inclined to write off this make-it-or-break-it focus on the first weekend's

box office gross as a self-destructive impulse from an industry notorious for chasing the flavor-of-the-month. But a closer look suggests that method lurks beneath the seeming madness.

The economics of marketing now powerfully favors nationwide openings in thousands of theaters over the "platforming approach," in which a movie opens in a few cities and builds. "Distributors are effectively forced to spend everything up front," said Howard Lichtman, executive vice president for marketing for the Citeplex Odeon chain.

The revenues from domestic theatrical release are a shrinking share of the total income from the typical film aimed at a mass audience. The opening has thus become the fulcrum for selling everything from videos to foreign distribution to toys and popcorn. As an indirect result, shelf life on the big screen is shrinking.

To be sure, there are no absolutes in

film marketing. Many movies, in particular foreign films and modest independent productions, still open in a handful of theaters and still rely on media reviews and word-of-mouth to create an audience large enough to justify the move to the multiplexes.

By the same token, \$50 million-plus productions are occasionally shown in New York or Los Angeles in time to qualify for Academy Award nominations, then open nationally months later. "Sneak previews" are still sometimes used to create a buzz weeks before the publicity avalanche. But with big-budget movies, the trend toward betting it all on opening weekend seems inexorable.

In the early 1970s a typical movie with broad appeal might open in 300 to 400 theaters. Today the seven major studios are releasing record numbers of films. 216 in 1996 compared with 134 in 1980. Yet the 2,000- to 3,000-screen opening in an industry with a total of 29,000 U.S.

screens, has become normal.

Television has played a key role. While distributors have used local television spots for decades to supplement print advertising, Warner Brothers pioneered the use of network television as its principal advertising medium in the early 1980s, and others soon followed. Despite the cost, one studio executive said, national television delivers frequent moviegoers at the lowest price per person.

By the same token, it is widely accepted that an advertising blitz is more cost-effective than the same number of spots over a longer period. "There are too many mice running around the field where the elephants are dancing," concluded Peter Graves, president for marketing at Polygram Films.

While dependence on television drives the saturation opening, so too does the contemporary economics of

movie exhibition. Between 1980 and 1996, the number of auditoriums increased by 69 percent while movie attendance rose just 31 percent, creating a perceived glut in theater capacity.

It's not clear whether "glut" is the right word since, with higher ticket prices, the total domestic box office gross rose 115 percent in the same period. But there's little doubt that theaters often strain to fill auditoriums at \$6 to \$8 a ticket and put a premium on booking first-run films studded with stars and special effects that draw audiences.

The average movie from the seven major studios cost \$39 million to make last year, up from \$9 million in 1980. And while every deal between distributors and exhibitors is negotiated, the split in box office revenues, typically 70-30 in the first few weeks of a run, heavily favors the distributors.

As a result, theaters are lucky to cover their costs on box office revenues, with

the real profits coming from the young, junk-food-craving consumers at the concession stand.

The exhibitors' emphasis on the rapid turnover of first-run films is complemented by changes in the market for the Hollywood product. Two decades ago most of the revenue from most movies came from the domestic theatrical release. Since then theatrical revenues from Europe, Latin America and Asia have become increasingly important, often exceeding domestic box office.

The value of ancillary rights has exploded. The number of households with VCRs has grown from 1.8 million in 1980 to 78 million today. Pay-cable channels consume vast numbers of movies, and with 55 million subscribers, they have plenty of cash to bid up the value. Pay-per-view movies on television is a rapidly growing area, with an estimated 28 million households paying \$603 million in 1997 for them.

## The Many Sopranos of 'Traviata'

By David Stevens  
International Herald Tribune

PARIS — The Paris Opera's new production of "La Traviata" has its musical strengths in the right places, with Angela Gheorghiu equal to most of Verdi's wide-ranging vocal demands in the title role and finally moving as the tragic heroine, and with James Conlon and the orchestra delivering a finely tuned account of this popular score.

It is sometimes said that Verdi wrote each scene for a different soprano, from coloratura to dramatic, so no single performer can hope to encompass them all. But Gheorghiu, who is convincingly lovely as the seductive courtesan, negotiates the frenetic coloratura demands of the first act well enough, then moves from strength to lyric strength, ending with a death scene that was touching in spite of an eccentric scenic setting.

Her principal partners were Ramon Vargas, who displayed one of the most attractive lyric tenors currently available, along with a stiff stage comportment that did not make for a convincingly passionate Alfredo, while Alexandru Agache, a solid baritone, was the little more than conventional as the elder Germont.

Once again, however, the problem of



Angela Gheorghiu and Ramon Vargas in "Traviata."

the main problem was that it never went away.

In the setting of Violetta's convincingly ugly, country house, which filled half the stage in its suburban entirety, the ramp was barely kept out of sight by a bucolic backdrop. But it reappeared in the scene of the party at Flora Bervoix's, making it look as if Violetta and her friend share the same digs, and it was still there in the final act, where the dying Violetta normally occupies her own unfurnished premises.

BUT Violetta's home appears to have been converted into a full-scale hospital ward, complete with patients in other beds and a vacant bed from which a corpse has been thoughtfully removed. Only the lighting helped concentrate attention on the heroine's death bed.

The veteran Carlos Feller gave the role of Doctor Greaville more than customary substance, and Katarina Karnaus as Flora, Soria Coliban as the arrogant Baron Douphol, Vladimir Grishko as Gastone and Isabelle Cals the Anna made solid contributions. Clare Mitchell's vast array of costumes effectively evoked 19th-century Paris and the choreography of Francoise Gies made the most of the hispanic entertainments at Flora's party.



Alun Armstrong in "The Front Page" at the Donmar Warehouse.

## 'Peter Pan': Love and Crocodiles

By Sheridan Morley  
International Herald Tribune

LONDON — I have never met another theatergoer above the age of 10 who agrees with me that J.M. Barrie's "Peter Pan" is the greatest British play of the century: A vast, poetic, sprawling, dark masterpiece about life and death and love and loss and crocodiles and fairies who will die unless children applaud them.

Happily we now have the boy who would not grow up on the main Olivier stage of the National; this version is not entirely new, having first been devised and staged by Trevor Nunn and his "Les Misérables" partner, John Caird, for the Barbican back in 1982. Nunn has dropped out as co-director, to be replaced by Fiona Laird, but in essence many of their original intentions remain intact: Peter is again played by a boy (an innovation they introduced) and we have now Alec McCowen in superb form as the crusty Barrie himself to lead us through the still labyrinthine plot as narrator, observer and ultimate moralist.

The set this time is the most lavish ever seen at the National, even though John Napier's designs have gone so far over the top that his Mermoid Lagoon resembles nothing so closely as the backdrop for an Esther Williams pool movie of the early 1950s.

"Peter Pan" was undoubtedly Barrie's lifelong obsession, and Caird and Nunn have tried to wrap up most if not all of its many versions into this one three-hour extravaganza; not just the 1928 play but the 1911 novel, the New York version of 1950 and the screenplay Barrie wrote for an unproduced Charlie Chaplin silent of 1920. Mercifully, they have given the Walt Disney and Steven Spielberg travesties a wide berth, but

even so we now get moments of unforgivable parody and jokiness.

True, this "Pan" does restore to us the almost unknown last act, in which years after the children have flown home to their Darling household Peter returns, only to find that Wendy has done the unforgivable and got herself married; still, there is always her daughter to be kidnapped and flown to Never-Never Land.

As the pirate chief (and also of course the children's father, Mr. Darling, a double that has been traditional since the play was first staged), Ian McKellen seems oddly subdued, able neither to feel nor inspire the terror that lies behind the hook hand, but the rest of the casting works well enough, with Daniel Evans as a charismatic Peter and Claude Blakeley as an unusually tough, feminist Wendy.

Again some very weird liberties have been taken with the text; Hook's great speech from the pirate ship appears to have been cut heavily, and "Oh dark and sinister man" was never intended as the cue for some cheap malapropisms. Equally shameful is the moment when McKellen, having just reverted from Hook to Darling, allows an echo of Hook to invade his nursery performance in the doghouse. These and many more are self-referential gags which chip away at the original, while the late Stephen Oliver's score still hovers uneasily between background music and full-blown operetta. Given the devisers' expertise with "Les Misérables," it would surely have made more sense to allow this production to become the musical it so aches to be by simply borrowing the Jule Styne/Mary Martin Broadway score, which remains one of the best I have ever heard and vied more loyal to the original Barrie plan.

At the minuscule Bridewell just off Fleet Street, an amazing scoop: the first staging ever of Stephen Sondheim's "Saturday Night," the first musical for which he ever wrote words and music, back in 1952 when he was just 21 and still five years away from "West Side Story." The production had a troubled history, not least because the producer died during the auditions, and although in the intervening 45 years there have been various attempts to get it back on its dancing feet, Sondheim has always been highly and rightly reluctant to go back to an essentially collegiate romp.

Indeed, "Saturday Night" would, even with Sondheim's later elevation to musical sainthood, have a tough time surviving in the West End or on Broadway. The book by the Epstein brothers, who went on to "Casablanca," is incredibly fragile, involving as it does a group of apartment sharers in 1928 Brooklyn trying to sort out their lives in the nick of time for the Wall Street crash.

But to anyone with even a faint interest in what Sondheim later did to change the entire shape of the American musical, the clues are all here: songs that go through the show but with different meanings depending on which character is singing them, lyrics that come obtrusively out of dialogue instead of the usual pause while the band strikes up, and a cynical, waspish, bitchy hymn to Brooklyn that foreshadows "Officer Krupke" and has oddly never turned up (unlike many of the other songs here) in Sondheim anthologies.

At his Donmar Warehouse (now threatened with grant withdrawal), Sam Mendes has a fast and furious revival of "The Front Page" in which the only real problem is the ineffable Englishness of Cliff Rhys-Jones as Hildy Johnson. What starts as a wonderful parody of Chicago newsmen in the '30s ends up as a Ben Travers farce about inept Englishmen abroad.

### DEGAS IN NEW ORLEANS

By Christopher Benfey, 294 pages, \$27.50, Knopf.

Reviewed by Grace Lichtenstein

WHAT a pleasure it is to explore a New Orleans not splattered with the Gothic literary blood of Anne Rice! Yes, "Degas in New Orleans" involves a haunted house, ghosts and titillating couplings, but all elements are solidly anchored in historical events and retold by Christopher Benfey in a deft synthesis of art criticism and historical speculation.

Benfey, a professor of literature at Mount Holyoke College, is a frequent contributor to magazines such as The New Republic and Slate. He uses the 1872 visit of the Impressionist Edgar Degas as his departure point for a learned look both at Degas's work and at the Crescent City at a turning point in its fascinating history.

Few Impressionist scholars, according to Benfey, have paid attention to the fact that Degas's mother was a New

Orleans-born Creole. He adds that none, until now, realized that Degas's family included a quadroon, Norbert Rillieux, his mother's first cousin. Rillieux was the inventor of a sugar-refining process that the author says was comparable in its impact on the sugar industry to the cotton gin's effect on the industrial revolution in America.

Using this knowledge, Benfey theorizes that the family's mixed-race heritage was one reason that Degas could not paint "black faces in New Orleans as mere local scenery." He examines the painter's renderings of a black nurse in New Orleans and of a black circus performer as "emblematic of Degas's hesitation about the depiction of race."

Furthermore, two of Degas's brothers were living in that city when the 38-year-old painter arrived for a five-month sojourn that included much time at the offices of his uncle, Michel Musson, a cotton broker. Benfey believes that the painter—whose visit spanned New Orleans's two most important holidays, All Saints Day and Mardi Gras—arrived "distracted and

stalled in his profession," but returned to France "with a new sense of direction and resolve" in his work. As he has applied the techniques of painting ballet rehearsal—the wide, steeply sloping floor on which to deploy his "crablike" figures; the varied arms and leg positions of the dancers; the order amid apparent chaos—to this new scene. And what he learned in painting the "Cotton Office," he applied in turn to his later ballet pictures, lucrative as sales of cotton, that he worked on immediately after his return.

Benfey makes another imaginative leap in his discussion of the "haunted house" on Royal Street, connecting it to the tumultuous Reconstruction era in the city, to the unique standing of Creoles of color, to the practice of placage—the arrangement by which well-to-do white men kept second families born of their long-term relationships with octoroon mistresses, whom they met at social balls designed toward that end—and to the background behind George Washington Cable's story about the house.

"Degas in New Orleans" is framed by chapters detailing Benfey's musings while strolling along Esplanade, the street that separates the French Quarter from the Faubourg Marigny. Take the stroll with him, and you will find it an elegant and unorthodox introduction to a city that remains a secretive, seductive metropolis.

Grace Lichtenstein, a New York journalist and co-author with Laura Dankner, of "Musical Gumbo: The Music of New Orleans," wrote this for The Washington Post.

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2	CAT & MOUSE, by James Patterson	3	5
3	THE GHOST, by Danielle Steel	2	5
4	ANOTHER CITY, NOT MY OWN, by Dominick Dunne	4	4
5	THE LETTER, by Richard Paul Evans	5	8
6	A CERTAIN JUSTICE, by P.D. James	14	2
7	SURVIVAL OF THE FITTEST, by Jonathan Kellerman	8	4
8	COMANCHE MOON, by Larry McMurtry	7	6
9	WOBESON BOY, by Garrison Keillor	13	4
10	THE WINNER, by David Baldacci	1	1
11	THE GOD OF SMALL THINGS, by Arundhati Roy	11	9
12	THE CHRISTMAS BOX, by Richard Paul Evans	12	25
13	VIOLET, by Anne Rice	6	8
14	THE COUNTRYMAN, by Robert Ludlum	10	8
15	LUCKY YOU, by Carl Hiaasen	9	6
NONFICTION			
1	ALIBI: IN THE GARDEN OF GOOD AND EVIL, by John Berendt	1	179

2	ANGELA'S ASHES, by Hilary Mantel	3	66
3	THE MAN WHO LISTENS TO HORSES, by Moby Dick	2	18
4	THE DARK SIDE OF CAMELOT, by Seymour M. Hersh	6	4
5	CITIZEN SOLDIERS, by Stephen E. Ambrose	4	5
6	THE PERFECT STORM, by Sebastian Junger	5	28
7	INTO THIN AIR, by Jon Krakauer	7	33
8	DIRTY JOKES AND DIRTY TRUTHS, by Drew Carey	8	11
9	DANA: Her True Story in Her Own Words, by Andrew Morton	9	9
10	SOURCES OF STRENGTH, by Jenny Carter	2	2
11	CONFESSIONS OF A WIFE OF GOD, Book 1, by Nicole Donald Walsh	10	53
12	TUESDAYS WITH MORRISE, by Mitch Cullin	11	9
13	WAT THE NEXT YEAR, by Dore Kuss Goodwin	12	7
14	THE MILLIONAIRE NEXT DOOR, by Thomas J. Stanley and William D. Danko	13	48
15	THE ROYALS, by Klay Klay	15	11
16	ADVICE, HOW-TO AND MISCELLANEOUS, by Irvy S. Rosenberg, Martin Rosenberg, Becker and Shon Becker	1	4
17	SIMPLE ABUNDANCE, by Sarah Ban Breathnach	2	89
18	MAKING PACES, by Royce	3	5
19	MAKE THE CONNECTION, by Bob Greene and Oprah Winfrey	27	

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14 One of the Chronicals

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19 Lumpy soil deposit

20 Long times

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24 "That's a —!"

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56 Monopoly purchase: Abbr.

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59 Pub quaffs

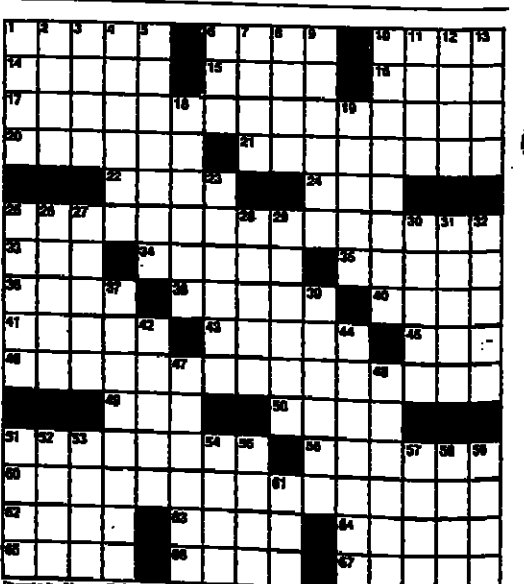
60 Fly off the handle

61 Donald and Wanda, e.g.

62 Cole who sang "The Christmas Song"

Solution to Puzzle of Dec. 23

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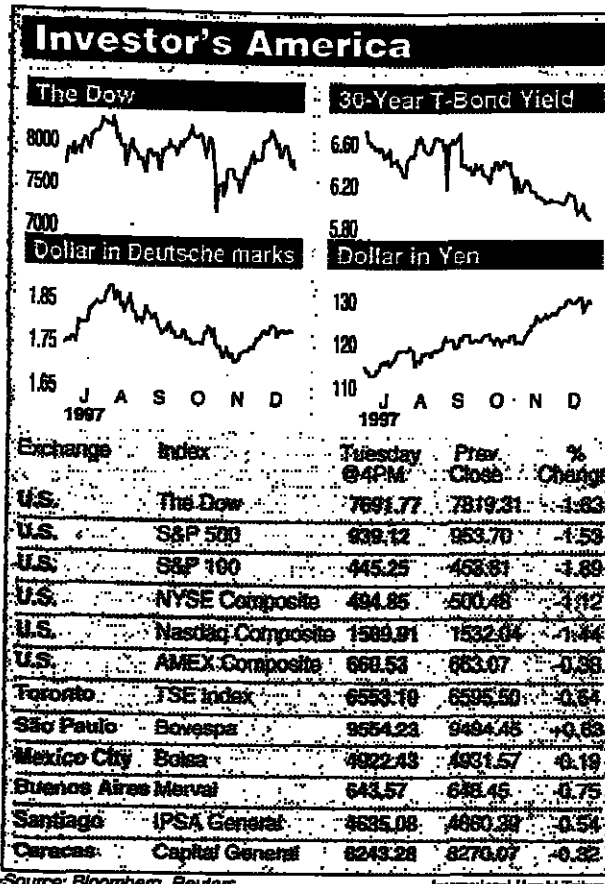
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## THE AMERICAS



## Dollar Slips On Talk of Japan Sales

**Bloomberg News**  
NEW YORK — The dollar fell against the yen Tuesday after some traders speculated that the Bank of Japan might sell the U.S. currency to support the yen. The dollar also eased against most European currencies.

Some traders, however, said they expected the dollar to rebound next week amid an increase in Japanese corporate bankruptcies and a cash crunch in South Korea.

"The bankruptcy news is bad for the yen, not to mention that Korea collapsed," said Richard Koss, market strategist at MFR Inc.

Some traders downplayed the declines because Japanese markets were closed for a holiday, and many traders worldwide are already on vacation for the year-end holidays.

The dollar fell to 129.250 yen in late trading in New York from 130.125 yen the day before and to 1.7440 Deutsche marks from 1.7415 DM. It also fell to 1.4345 Swiss francs from 1.4390 francs and to 5.9335 French francs from 5.9590 francs. The pound rose to \$1.6670 from \$1.6635.

Concern over more bankruptcies was triggered by Maruo Securities Co., a medium-sized Japanese brokerage that filed for bankruptcy. Meanwhile, in South Korea, the won tumbled to a record low and stocks fell sharply. Some traders said the threat of dollar-selling by the Bank of Japan had lifted the yen against the dollar. Analysts estimate that the central bank spent as much as \$8 billion last week defending its currency, which has fallen 12 percent against the dollar this year.

"There is speculation of BOJ intervention over the next two to three days," said Richard Giliberto of Paribas Capital Markets. "They can push the market any way they want in this trading. So for people holding dollars over the holiday, there's a risk."

While most markets around the world will close Thursday for Christmas, Japan will remain open. The U.S. dollar rose to a 12-year high against the Canadian dollar amid speculation that Canada would not raise interest rates soon. "Canada has limited scope to raise rates" because the central bank does not want to choke economic growth, said Marc Chandler, a strategist at Deutsche Morgan Grenfell. The U.S. dollar rose to 1.4375 Canadian dollars from 1.4346 dollars.

## Thrifty-Case Judge Denounces U.S. Defense

By Jerry Knight  
Washington Post Service

WASHINGTON — A federal judge has thrown out virtually all the defenses the government has raised against a series of lawsuits that could force the government to pay billions of dollars in damages to the owners of failed savings and loans.

Judge Loren Smith, chief judge of the U.S. Court of Claims, chastised Justice Department lawyers for stalling the lawsuits. He said he was prepared to rule that the government must pay damages to the owners of about 120 savings associations that sued the government because they were hurt financially when Congress tightened thrift regulations in 1989.

The Supreme Court ruled last year that the government broke contracts with S&L owners when Congress rewrote thrift accounting rules in 1989. The new rules put hundreds of

S&Ls out of business and forced others to invest billions of dollars to comply with them.

The Court of Claims is in the midst of a long trial to determine how much the government owes the S&L owners, several of which are seeking damages of more than \$1 billion each. Government attorneys have said the total potential cost to the taxpayers is "tens of billions," and private estimates go much higher.

"I don't think anyone knows how much it is," said Jerry Barton, chairman of Landmark National Corp., an offspring of one of the companies involved in the Court of Claims case Monday, but "I'd say it's between \$50 billion and \$100 billion." Mr. Barton's company contends it lost \$1.8 billion when the government shut the S&L it owned, Oak Tree Federal in New Orleans.

Landmark is one of more than 100 S&Ls that

have filed lawsuits, contending they, too, are entitled to damages because they are in the same situation as the three thrifts whose case was decided by the Supreme Court.

The lawsuit contends that in the early days of the thrift crises, government regulators promised investors who bought thrifts that they could carry some bad loans on their books as assets. Congress decided the practice was an accounting gimmick and banned it. Scores of S&Ls had to write off billions of dollars in losses, and many of them failed.

The Justice Department, which defends the government against lawsuits, has been fighting for months to keep any other thrift owners from collecting.

Ruling in favor of Landmark and three other S&L owners, Judge Smith said Justice Department attorneys have used legal arguments that "range from the rejected to the implausible."

## Aftershock of Korean Drop Shakes Blue-Chips

Compiled by Our Staff From Dispatches

NEW YORK — The aftershock of a sharp drop in South Korean stocks drove the U.S. market lower Tuesday, with blue-chips falling sharply in the final hour of trading.

The Dow Jones industrial average closed down 127.54 points at 7,919.77 and the Standard & Poor's 500 index fell 14.58, to 839.12. Declining issues outnumbered advancing ones by a 6-to-5 ratio on the New York Stock Exchange.

Large banks that do business overseas declined the most. J.P. Morgan, which led the Dow's decline, fell 3 1/2 to 112. Citicorp fell 4 3/16 to 123 3/4.

"Money managers are confused, so there's no consistent buying or selling," said Robert Streed, a money manager at Northern Trust Co. in Chicago. "No one knows where the world is going."

In the technology sector, Remedy plunged 1 1/2 to 21 1/2 on concern that its earnings will be hurt by IBM's acquisition of Software Aristry, a Remedy rival. Shares of Remedy, which makes help-desk software, more than tripled last year. IBM fell 3 3/16 to 99 1/4.

Lattice Semiconductor fell 8 1/4 to 45 1/4 after PaineWebber downgraded the chipmaker's shares to "neutral" from "buy."

Applied Materials fell 1 1/4 to 28 1/4 on lingering worries about the Asian market turmoil on the semiconductor or equipment makers' prospects. Intel was the most actively traded U.S. stock, falling 1 1/4 to 70 3/16, also hurt by Asian concerns.

The technology-heavy Nasdaq composite index closed down 22.15 points at 1,509.91.

The late drop in stocks sent some investors to the safety of the Treasury bond market, helping prices reverse an earlier slide. The price of the benchmark 30-year issue finished up 5/32 point at 103 17/32, leaving the yield steady from Monday at 5.88 percent.

Bond prices were lower earlier as

traders struggled to find buyers before the Christmas break for the \$11 billion of new five-year securities that the Treasury sold Tuesday.

Among other active stocks, Friedman, Billings, Ramsey Group closed up 1/4 at 20 1/4 in first-day trading. The investment bank, formed in 1989 to manage stock sales in high-growth areas such as technology and financial services, is regarded as a possible takeover target.

Apple South fell 3 1/16 to 13 7/16. The restaurant company said it planned to sell 61 company-owned

Applebee's Neighborhood Bar & Grill restaurants and 264 other franchised restaurants, leaving that segment of the business. The company also warned that its fourth-quarter earnings have been hurt by rising labor costs and expenses associated with starting a new menu and opening new restaurants.

Kodak Image Products fell 2 to 5 1/4 after the maker of imaging software and scanner enhancement products warned it would post disappointing results for its second quarter. (Bloomberg, AP)

## Very briefly:

- Playtex Products Inc. agreed to buy Personal Care Group Inc. from J. W. Childs Equity Partner LP, for \$182 million in cash and stock, to add Wet Ones towelettes and Mr. Bubbles to its line of infant-care products.
- Innkeepers USA Trust said it would buy six Residence Inn by Marriott hotels in Seattle and Portland, Oregon, for \$93.8 million in cash, in its first foray into a lucrative regional hotel market.
- Republic Industries Inc. is in talks to acquire First Team Automotive Corp., which owns 10 new-car dealerships in Florida, the Orlando Sentinel reported.
- BellSouth Corp. has created separate units to oversee its telephone and wireless communications operations to sharpen its focus on each part of the business.
- Chile's economy expanded at a higher-than-expected 7.9 percent in October from October 1996 as electricity production and imports surged.
- AT&T Corp. signed a definitive agreement to sell its AT&T Solutions Customers Care unit to Matrix Marketing Inc., a unit of Cincinnati Bell Inc., for about \$625 million in cash. (Bloomberg)

## Oil and Gas Explorers Plan Merger

**Bloomberg News**  
HOUSTON — Ocean Energy Inc. and United Meridian Corp. agreed to merge Tuesday, creating the ninth-largest U.S. company devoted exclusively to oil and gas exploration and giving them the resources to pursue deep-water projects in the Gulf of Mexico and off the coast of West Africa.

The agreement, structured as a merger of equals, would result in a company with a stock market value of about \$2.3 billion and annual revenue of \$560 million.

The two companies are joining to cut costs and make it easier to borrow money to exploit their deep-water sites, analysts said.

## AMEX

Tuesday's 4 P.M. Close  
The 300 most traded stocks of the day, up to the closing on Wall Street.  
The Associated Press.

Stock	High	Low	Last	Chg.
IBM	112.00	111.00	111.75	-0.25
Microsoft	55.00	54.00	54.50	-0.50
Apple	13.00	12.50	12.75	-0.25
Oracle	28.00	27.00	27.50	-0.50
Sun	45.00	44.00	44.50	-0.50
HP	35.00	34.00	34.50	-0.50
Intel	30.00	29.00	29.50	-0.50
Motorola	25.00	24.00	24.50	-0.50
Texas Instruments	20.00	19.00	19.50	-0.50
Northern Telecom	15.00	14.00	14.50	-0.50
Lucent	10.00	9.00	9.50	-0.50
WorldCom	8.00	7.00	7.50	-0.50
Sprint	6.00	5.00	5.50	-0.50
Verizon	4.00	3.00	3.50	-0.50
AT&T	3.00	2.00	2.50	-0.50
Qwest	2.00	1.00	1.50	-0.50
Southwest	1.00	0.50	0.75	-0.25
Delta	0.50	0.25	0.375	-0.125
American	0.25	0.125	0.1875	-0.0625
United	0.125	0.0625	0.09375	-0.03125
Southwest	0.0625	0.03125	0.046875	-0.015625
Delta	0.03125	0.015625	0.0234375	-0.0078125
American	0.015625	0.0078125	0.01171875	-0.00390625
United	0.0078125	0.00390625	0.005859375	-0.001953125
Southwest	0.00390625	0.001953125	0.0029296875	-0.0009765625
Delta	0.001953125	0.0009765625	0.001471875	-0.00048828125
American	0.0009765625	0.00048828125	0.000734375	-0.000244140625
United	0.00048828125	0.000244140625	0.000365625	-0.0001220703125
Southwest	0.000244140625	0.0001220703125	0.000184375	-6.171875e-05
Delta	0.0001220703125	6.171875e-05	9.21875e-05	-3.0859375e-05
American	6.171875e-05	3.0859375e-05	4.609375e-05	-1.54296875e-05
United	3.0859375e-05	1.54296875e-05	2.3046875e-05	-7.7145625e-06
Southwest	1.54296875e-05	7.7145625e-06	1.15354375e-05	-3.85729125e-06
Delta	7.7145625e-06	3.85729125e-06	5.776875e-06	-1.93769375e-06
American	3.85729125e-06	1.93769375e-06	1.44264375e-06	-9.68846875e-07
United	1.93769375e-06	9.68846875e-07	7.21321875e-07	-4.844234375e-07
Southwest	9.68846875e-07	4.844234375e-07	3.606609375e-07	-2.40440625e-07
Delta	4.844234375e-07	2.40440625e-07	1.8033046875e-07	-1.202203125e-07
American	2.40440625e-07	1.202203125e-07	9.01321875e-08	-6.008015625e-08
United	1.202203125e-07	6.008015625e-08	4.506609375e-08	-3.0040078125e-08
Southwest	6.008015625e-08	3.0040078125e-08	2.2533046875e-08	-1.50200390625e-08
Delta	3.0040078125e-08	1.50200390625e-08	1.12665234375e-08	-7.51001953125e-09
American	1.50200390625e-08	7.51001953125e-09	5.63326171875e-09	-3.755009765625e-09
United	7.51001953125e-09	3.755009765625e-09	2.816630859375e-09	-1.87700625e-09
Southwest	3.755009765625e-09	1.87700625e-09	1.4083154375e-09	-9.38503125e-10
Delta	1.87700625e-09	9.38503125e-10	3.5207890625e-10	-2.347003125e-10
American	9.38503125e-10	4.692515625e-10	1.76039453125e-10	-1.1737515625e-10
United	4.692515625e-10	2.3462578125e-10	8.80197265625e-11	-5.868759375e-11
Southwest	2.3462578125e-10	1.1737515625e-10	4.400986328125e-11	-2.9343796875e-11
Delta	1.1737515625e-10	5.868759375e-11	2.2004931640625e-11	-1.46718984375e-11
American	5.868759375e-11	2.9343796875e-11	1.10024658203125e-11	-7.33594921875e-12
United	2.9343796875e-11	1.46718984375e-11	5.50123291015625e-12	-3.6729748125e-12
Southwest	1.46718984375e-11	7.33594921875e-12	2.750616455078125e-12	-1.83648740625e-12
Delta	7.33594921875e-12	3.6729748125e-12	1.3753082275390625e-12	-9.17743703125e-13
American	3.6729748125e-12	1.83648740625e-12	6.8765411376953125e-13	-4.588718515625e-13
United	1.83648740625e-12	9.17743703125e-13	3.43827056884765625e-13	-2.2943592578125e-13
Southwest	9.17743703125e-13	4.588718515625e-13	1.719135284423828125e-13	-1.14717962890625e-13
Delta	4.588718515625e-13	2.2943592578125e-13	8.595676422119140625e-14	-5.730898125e-14
American	2.2943592578125e-13	1.14717962890625e-13	4.2978382110595703125e-14	-2.8654490625e-14
United	1.14717962890625e-13	5.730898125e-14	2.14891910552978515625e-14	-1.43272453125e-14
Southwest	5.730898125e-14	2.8654490625e-14	1.0744595527648928125e-14	-7.16362265625e-15
Delta	2.8654490625e-14	1.43272453125e-14	5.3722977638244609375e-15	-3.58181128125e-15
American	1.43272453125e-14	7.16362265625e-15	2.68614888191223046875e-15	-1.790905640625e-15
United	7.16362265625e-15	3.58181128125e-15	1.343074440956115234375e-15	-8.954528203125e-16
Southwest	3.58181128125e-15	1.790905640625e-15	6.715372204780576171875e-16	-4.4772641015625e-16
Delta	1.790905640625e-15	8.954528203125e-16	3.3576861023902880859375e-16	-2.23863205078125e-16
American	8.954528203125e-16	4.4772641015625e-16	1.67884305119514404296875e-16	-1.119316025390625e-16
United	4.4772641015625e-16	2.23863205078125e-16	8.39421525597572021484375e-17	-5.595430251953125e-17
Southwest	2.23863205078125e-16	1.119316025390625e-16	4.197107627987860107421875e-17	-2.7977151259765625e-17
Delta	1.119316025390625e-16	5.595430251953125e-17	2.0985538139939300537109375e-17	-1.39885756298828125e-17
American	5.595430251953125e-17	2.7977151259765625e-17	1.04927690699696502685546875e-17	-6.99428781494140625e-18
United	2.7977151259765625e-17	1.39885756298828125e-17	5.24638453498482513427734375e-18	-3.497143907470703125e-18
Southwest	1.39885756298828125e-17	6.99428781494140625e-18	2.62319226749241256713671875e-18	-1.7485719537353515625e-18
Delta	6.99428781494140625e-18	3.497143907470703125e-18	1.311596133746206283568359375e-18	-8.7428597687267578125e-19
American	3.497143907470703125e-18	1.7485719537353515625e-18	6.5579806687310314177841796875e-19	-4.37142988436337890625e-19
United	1.7485719537353515625e-18	8.7428597687267578125e-19	3.27899033436551570889208984375e-19	-2.185714942181689453125e-19
Southwest	8.7428597687267578125e-19	4.37142988436337890625e-19	1.639495167182757854446044921875e-19	-1.0928574710908447265625e-19
Delta	4.37142988436337890625e-19	2.185714942181689453125e-19	8.197475835913789272230224609375e-20	-5.4642874560908447265625e-20
American	2.185714942181689453125e-19	1.0928574710908447265625e-19	4.0987379179568946361151123046875e-20	-2.73214372804542236328125e-20
United	1.0928574710908447265625e-19	5.4642874560908447265625e-20	2.04936895897844731805755615234375e-20	-1.366071864022711181640625e-20
Southwest	5.4642874560908447265625e-20	2.73214372804542236328125e-20	1.024684479489223659028778076171875e-20	-6.830359320113555908447265625e-21
Delta	2.73214372804542236328125e-20	1.366071864022711181640625e-20	5.123422397446118295143893902834375e-21	-3.4151796800567779542236328125e-21
American	1.366071864022711181640625e-20	6.8303593201135559084		



## EUROPE

## London Cheers as Bonuses Arrive Under the City Tree

**LONDON** — The City of London's most valuable workers will take home about £1 billion (\$1.7 million) in bonuses this year — a third more than last year — even after a wave of mergers and turmoil in Asia shook world financial markets.

"Optimism is high," said Simon Gee, manager of City operations for Robert Half International, an executive search firm. "It's a very good time to be in the City right now."

Gains from stocks, bonds and currencies, together with a shortage of qualified people and the rise to prominence of specialist activities like emerging markets means that City bonuses and basic salaries are rising. If markets continue climbing, compensation should also keep rising, executive recruiters said.

At the same time, half a dozen recent industry mergers mean thousands of City employees face finding a *pink slip*, not a *bonus check*, in the office mail. The merger between Swiss Bank Corp. and Union Bank of Switzerland, for instance, will result in the elimination of 3,000 London jobs, and the sales of the investment banking units of National Westminster Bank PLC and Barclays PLC are expected to add a few hundred more.

Still, while jobs will be lost and expenses curtailed, the net result of the wave of industry transactions has been to increase year-end payouts by generating fee income for advisers — well in excess of last year's record \$1.3 billion according to Philip Healey, Editor at Acquisitions Monthly magazine — and guaranteed bonuses for many newly transferred employees.

"The reality is that good people always cost," said Robert Florio, managing partner at Korn/Ferry International. The difference this year, he said, is that the spread between the "really big earners" and the "pretty big earners" is wider than before, with the big money increasingly concentrated in the hands of a few.

"Bonuses will be greatly awarded the people who are leading and building businesses," Mr. Florio said. "They've got to pay off guarantees and make the best people happy."

That includes those who work in emerging markets and who racked up big losses after Asian stock markets, led by a 54.76 percent decline in the Thai stock exchange, tumbled in the second half of the year.

In fact, people working in emerging markets are likely to deposit the fattest checks,

several headhunters said. "A smart institution is not going to underpay its emerging markets people," said Mr. Florio. "If they don't compensate the people taking the risk — who have had a good year overall — who are they going to get to sit on their Asia desk again? If you're committed to the business, you've got to pay through good times and bad."

Still, the tendency to pay large lump sums is one regulators would prefer to see changed.

"The concern is not whether bonuses are big or small, but whether the way you remunerate people leads to corruption of internal controls," said Peter Parker, spokesman for the newly formed City regulator, the Financial Services Authority.

The Bank of England has questioned whether the promise of stratospheric one-time payouts encourages traders to take risks they otherwise wouldn't. And in a set of draft industry guidelines published in July, the Securities and Futures Authority, whose functions along with other regulators are being taken over by the Financial Services Authority, said regulated firms should "design, build, and use operating arrangements with a view to ensuring that they can

not corrupt the integrity of the firm, or any of its systems and controls."

That does not mean people are going to stop making lots of money, and most of it in one big check, headhunters said.

Other than those in emerging markets, people likely to receive seven-figure checks this year are mergers advisers, having done a record number of transactions this year; those working on new issues in hot industries like telecommunications; experienced senior analysts for growing industries, whose numbers are in short supply; people working in exotic areas like emerging market high-yield debt and credit derivatives; and asset managers, headhunters said.

Another factor driving City bonuses ever-higher is the growing equilibrium between pay scales as London bankers catch up with their counterparts in New York, where salaries and bonuses traditionally have been higher, headhunters said. London has emerged as the financial capital of a uniting Europe, at the same time that U.S. firms are bolstering their staff here and moving more of their people to London.

"All of these Americans come over here, and they don't do it just to sightsee," Mr. Florio said.

Investor's Europe			
Frankfurt	London	Paris	
DAX	FTSE 100 Index	CAC 40	
4000	5500	3100	
3500	5000	2600	
3000	4500	2100	
2500	4000	1600	
2000	3500	1100	
1500	3000	600	
1000	2500	100	
500	2000		
0	1500		
J A S O N D	J A S O N D	J A S O N D	1997
Exchange Index Tuesday Close Prev. Change			
Amsterdam	AEX	384.82	379.49 +0.61
Brussels	BEL-20	2,391.52	2,454.34 -2.56
Frankfurt	DAX	4,048.02	4,084.75 -1.02
Copenhagen	Stock Market	647.81	648.81 -0.21
Helsinki	HEX General	3,210.87	3,158.57 +1.72
Oslo	OSX	649.50	658.27 -1.32
London	FTSE 100	5,018.20	5,020.20 -0.04
Madrid	Stock Exchange	615.56	614.94 +0.10
Milan	MIBTEL	16168	15931 +1.49
Paris	CAC 40	2,868.73	2,822.80 +1.66
Stockholm	SX 18	3,094.86	3,080.08 +0.48
Vienna	ATX	1,247.96	1,249.87 -0.16
Zurich	SPI	3,770.40	3,738.24 +0.86

Source: Reuters International Herald Tribune

## Czechs' Christmas Carp

By Peter S. Green  
International Herald Tribune

**PRAGUE** — It's Christmas in Prague and for a week before the traditional Christmas Eve feast, the Czech capital takes on the air of a Chinese market, as live carp are weighed and sold, and often scaled, gutted and filleted at street-corner fish stands.

Huge plastic tubs the size of wading pools are filled with the 70-centimeter-long (27-inch) gasping and flopping fish.

"In four days, I sell as many carp as I do the whole rest of the year," said Milan Drazdak, director of Rybářství Praha A.S.

Most Czechs have their fish killed and cleaned at the stand. But others, like Miroslava Pokorna, take their carp home alive and let it swim in the family bathtub until it is time to start cooking.

"I want my daughter to see it in the bathtub," said Mrs. Pokorna as her 7-year-old daughter, Tereza, shrank back while her father snuffed a slithering 2.5 kilogram (5½ pound) carp into a plastic shopping bag.

Most of the year, the Czech carp business is slow and steady, with much of the fresh fish sold abroad. But come Christmas, Mr. Drazdak works around the clock, running a network of four dozen fish stands on Prague street corners, supplying them twice daily. His company, which had a monopoly on carp sales

during communism, now supplies about one-third of the 325,000 fish Prague residents are expected to eat on Wednesday night.

Some 250 other street vendors buy their fish from Mr. Drazdak or straight from fish farms in southern Bohemia.

About 30 million koruny (\$882,000) of Rybářství Praha's annual turnover comes from selling farmed fish, a fourth of the company's revenue, Mr. Drazdak said.

The rest comes from wholesaling more lucrative sea fish, a big hit among the nouveau riche of post-Communist Prague.

Czechs have been farming carp for more than 600 years, ever since local nobles began to drain the marshy land around Trebon, in southern Bohemia, and today a vast network of canals links about 270 carp ponds.

Bred in laboratories and then introduced into ponds where they are fed for three years on a mixture of corn, fish meal and vitamins — "everything a carp needs to be strong and healthy," Mr. Drazdak said — the carp are harvested by draining the shallow ponds and then left for three months in tanks of clean water to remove the taste of mud from their flesh.

Czech carp, Mr. Drazdak said, fetch premium prices abroad, and now he and a group of investors are hoping to increase their year-round profits and rebuild the Communist-era conglomerate of fish ponds, maintenance and sales that once



CARPE DIEM — A street vendor in Prague handling a carp Tuesday. Czechs traditionally serve the fish on Christmas Eve.

provided 13,000 tons of carp annually.

That makes good business sense to Martin Nejedlik, a stock analyst at the brokers Wood & Co. in Prague.

"The best would be to merge as many things as possible and cut unnecessary administrative costs," Mr. Nejedlik said. "You'd get economies of scale."

## Italy Lowers Rates As Deficit-Cutting Budget Is Cleared

**ROME** — The Bank of Italy cut interest rates by 75 basis points Tuesday after the Senate approved the 1998 budget and its package of 25 trillion lire (\$14.3 billion) in deficit cuts.

The Bank of Italy brought the discount rate down to 5.50 percent from 6.25 percent and cut its fixed-term advances rate to 7 percent from 7.75 percent. The discount rate is the lowest rate at which commercial banks can borrow money from the central bank.

The governor of the central bank, Antonio Fazio, suggested in a speech Oct. 31 that he would not cut rates until the 1998 budget bill was approved by Parliament. The lower house gave its approval for the fiscal package Friday, and the Senate cleared it Tuesday.

The most recent Italian inflation data, preliminary estimates for this month, showed consumer prices unchanged from November and 1.5 percent higher than a year ago, in line with government targets.

Italy's interest rates, however, are still among the highest in the European Union and are close to a full percentage point higher than the benchmark German rate. If Italy is to participate in European monetary union at its planned outset in January 1999, its rates must drop to levels approaching Germany's.

## WORLD STOCK MARKETS

Tuesday, Dec. 23  
Prices in local currencies.Amsterdam AEX Index: 374.75  
Previous: 374.75Brussels BEL-20 Index: 2,391.52  
Previous: 2,454.34Frankfurt DAX Index: 4,048.02  
Previous: 4,084.75London FTSE 100 Index: 5,018.20  
Previous: 5,020.20Madrid Stock Exchange: 615.56  
Previous: 614.94Milan MIBTEL Index: 16,168  
Previous: 15,931Paris CAC 40 Index: 2,868.73  
Previous: 2,822.80Stockholm SX 18 Index: 3,094.86  
Previous: 3,080.08Vienna ATX Index: 1,247.96  
Previous: 1,249.87Zurich SPI Index: 3,770.40  
Previous: 3,738.24

High Low Close Prev.

Anglo-American Corp. 118.50 114.65 117.17 117.17

Anglo-American Gold 118.50 114.65 117.17 117.17

Anglo-American Silver 118.50 114.65 117.17 117.17

Anglo-American Platinum 118.50 114.65 117.17 117.17

Anglo-American Palladium 118.50 114.65 117.17 117.17

Anglo-American Nickel 118.50 114.65 117.17 117.17

Anglo-American Zinc 118.50 114.65 117.17 117.17

Anglo-American Lead 118.50 114.65 117.17 117.17

Anglo-American Tin 118.50 114.65 117.17 117.17

Anglo-American Copper 118.50 114.65 117.17 117.17

Anglo-American Iron 118.50 114.65 117.17 117.17

Anglo-American Steel 118.50 114.65 117.17 117.17

Anglo-American Aluminum 118.50 114.65 117.17 117.17

Anglo-American Magnesium 118.50 114.65 117.17 117.17

Anglo-American Potassium 118.50 114.65 117.17 117.17

Anglo-American Sodium 118.50 114.65 117.17 117.17

Anglo-American Calcium 118.50 114.65 117.17 117.17

Anglo-American Barium 118.50 114.65 117.17 117.17

Anglo-American Strontium 118.50 114.65 117.17 117.17

Anglo-American Bismuth 118.50 114.65 117.17 117.17

Anglo-American Antimony 118.50 114.65 117.17 117.17

Anglo-American Arsenic 118.50 114.65 117.17 117.17

Anglo-American Selenium 118.50 114.65 117.17 117.17

Anglo-American Tellurium 118.50 114.65 117.17 117.17

Anglo-American Manganese 118.50 114.65 117.17 117.17

Anglo-American Vanadium 118.50 114.65 117.17 117.17

Anglo-American Chromium 118.50 114.65 117.17 117.17

Anglo-American Molybdenum 118.50 114.65 117.17 117.17

Anglo-American Niobium 118.50 114.65 117.17 117.17

Anglo-American Tantalum 118.50 114.65 117.17 117.17

Anglo-American Rhenium 118.50 114.65 117.17 117.17

Anglo-American Ruthenium 118.50 114.65 117.17 117.17

Anglo-American Rhodium 118.50 114.65 117.17 117.17

Anglo-American Palladium 118.50 114.65 117.17 117.17

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Anglo-American Iron 118.50 114.65 117.17 117.17

High Low Close Prev.

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Anglo-American Iron 118.50 114.65 117.17 117.17

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Anglo-American Aluminum 118.50 114.65 117.17 117.17

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Anglo-American Arsenic 118.50 114.65 117.17 117.17

Anglo-American Selenium 118.50 114.65 117.17 117.17

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Anglo-American Manganese 118.50 114.65 117.17 117.17

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Anglo-American Bismuth 118.50 1



NYSE

Tuesday's 4 P.M. Close

The 2,000 most traded stocks of the day.  
Notation: Prices not reflecting late trades elsewhere.  
The Associated Press.

12 Month	High	Low	Stock	Div Yld	PE	100 High	Low	Label	Change
12	100	98	IBM	4.8	15	100	98	IBM	+1.5
12	100	98	Microsoft	5.2	18	100	98	Microsoft	+2.0
12	100	98	Apple	4.5	12	100	98	Apple	+1.0
12	100	98	Oracle	5.0	16	100	98	Oracle	+1.8
12	100	98	Sun	4.0	14	100	98	Sun	+1.2
12	100	98	Novell	3.5	13	100	98	Novell	+0.8
12	100	98	Lotus	3.0	11	100	98	Lotus	+0.5
12	100	98	Intuit	2.5	10	100	98	Intuit	+0.3
12	100	98	Adobe	2.0	9	100	98	Adobe	+0.2
12	100	98	McAfee	1.5	8	100	98	McAfee	+0.1

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Truly very little has changed. The hotel is still minutes away from the enchanting Angkor temples. The magnificent gardens have now been restored to reflect their original glory when dignitaries and celebrities graced the guest list. Its dining and entertainment are equally impressive.

Of course, some things have changed. The art of hospitality, for instance, has gotten better over the years. Practice does indeed make perfect, it seems.

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For reservations, please call (Phnom Penh) 855 23 961 886 or fax 855 23 961 168, or (Singapore) fax 65 329 7171.

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Continued on Page 16

JAVICO LTD

Shahbol Refo

Tokyo Brokerage

Batavia Forces Indonesia

FORECAST: Asian Economy

KOR

INDONESIA: Country &...



ASIA/PACIFIC

# Chaebol Reform: Like Redoing the Whole Economy

By Steven Mufson  
Washington Post Service

SEOUL — Among the 300 VIP guests flown in from around the world to celebrate the opening of Halla Group's state-of-the-art shipyard in February 1996, there was no premonition that within 20 months, the giant South Korean conglomerate would run aground.

Instead, the event seemed the capstone of a classic South Korean rags-to-riches tale for Chung In Yung, the partly paralyzed chairman who ran away from his poor countryside home as a teenager in the 1930s, lived through two wars, made his fortune and overcame a stroke in 1989 that left him in a wheelchair.

Owning a shipyard was one of Mr. Chung's long-cherished dreams, and its opening also seemed a tribute to the might of the South Korean conglomerates known as chaebol.

Twenty months later, capped by debts totaling 30 times its equity, Halla Group, South Korea's 12th-largest conglomerate, went bankrupt Dec. 6 and is trying to sell the shipyard. Mr. Chung's story is still a classic South Korean tale, but one rewritten for a new, troubled era: a

tale of blind ambition, the unbridled power of corporate chairmen and the unchecked, debt-driven spending habits of these conglomerates.

For 40 years, chaebol such as Halla have been the engines of South Korea's economic miracle and cozy partners with the government, which protected their home markets, limited competition and doled out government contracts. In the early 1990s, the combined revenue of the top 10 chaebol equaled three-quarters of the country's gross national product.

But these economic engines have seized up. Eight of South Korea's top 30 chaebol have declared bankruptcy in the past year. Suddenly it is clear that the huge conglomerates had run amok, relentlessly seeking bigger market shares and borrowing money without regard to profits, cash flow or potential failure.

"We believed that the big companies would never go bankrupt," said S.Y. Yoon, executive director of Sangyong Engineering Co., a unit of the country's sixth-biggest chaebol.

No longer. After years of delay, the country finally must overhaul the chaebol. The International Monetary Fund, as a condition for its \$57 billion assistance package to South

Korea, insists that the country re-vamp the lending guidelines and corporate-governance laws that allowed these conglomerates to be run as their founders' personal fiefdoms.

The team advising President-elect Kim Dae Jung says it is ready. A longtime dissident and opposition member, Mr. Kim has few ties to the conglomerate chieftains.

"The chaebol operated behind closed doors, they had the government's power, and they could do whatever they wanted with the financial system," said Kim Won Gil, an economic adviser to the president-elect. When it comes to their survival now, Mr. Kim said, "we will leave it to the market."

But with corporate empires at stake, Kim Geun Tae, a national assemblyman and ally of the president-elect, predicted, "The resistance of the chaebol will be fierce."

Reforming the deeply entrenched chaebol means reforming the entire economy. After the Korean War, the government picked businesses to help mobilize the devastated economy. The model was Japan's *keiretsu* system of corporate alliances. Mr. Seoul government awarded protected franchises and allocated cheap credit.

In return, the chaebol built new industries. Per-capita income climbed from \$60 a year at the end of the war in 1953 to \$10,000 last year.

"It went like gangbusters," said Robert Felton, a director of McKinsey Inc., an international marketing consulting firm, in Seoul. "I'm an admirer of the chaebol as a developmental model, when you're flat on your back."

But by the late 1980s, the system was not working. Years of cheap loans meant that companies did not use money wisely. Productivity lagged. Unions began to demand, and get, bigger pay increases. Corrupt relations with the government produced wasteful projects and huge political slush funds. Banks, heavily influenced by the government, were little more than cash boxes.

Later, chaebol were allowed to open their own banks, which they called "cash windows."

When Halla went bankrupt, it had a debt-to-equity ratio of more than 3,000 percent, about 30 to 60 times what would be considered an excessive level in the United States. Ever since his stroke in 1989, Mr. Chung had been in a hurry to make his company as big as possible to

rival Hyundai Group, which was headed by his brother. For several years, Halla's revenue grew at 40 percent annually.

"We didn't do planning," a former executive said. "We carried out his ideas." In addition to the shipyard and a profitable auto-parts business, Halla expanded into resorts, paper mills and other manufacturing.

Mr. Chung was not unique. Almost every chaebol chairman had his own pet project or passion.

Ssangyong Group's chairman, M.P. Kim, is a "car maniac," say people who know him. He once owned 20 cars, including a Jaguar, BMW, Mercedes, Lotus and Lamborghini. So he jumped into the crowded South Korean car market, which already had three giant players — Hyundai, Daewoo Group and Kia Group — and two smaller ones. Ssangyong owned a small maker of fire engines and dump trucks, but it had neither car designs nor a sales network. The company invested \$4 billion to design two passenger models — a four-wheel drive jeep and a car called the Chairman.

The business lost money. This month, Ssangyong sold its plant to Daewoo, which plans to cut costs by using its own distribution network. Daewoo did not pay Ssangyong a penny. It took over about 60 percent of the plant's staggering debt, which still left Ssangyong with debts of \$850 million.

It was typical of a chaebol that costly investments might have little to do with its core businesses. Samsung Group, despite fierce competition in its core business of making dynamic random-access memory chips for personal computers, is sinking billions of dollars into the auto business.

"These corporations were locked into competition for larger market shares," said Park Yung Chul of the Korea Institute of Finance. "If one entered the steel industry, all the others would try to do the same thing."

Chaebol projects also often were linked with politics. President Kim Young Sam approved Samsung Electronics' entry into the automobile business on condition that it put its plant in Pusan, Mr. Kim's home base. When the plant opens, South Korea's passenger-car production capacity will exceed its domestic demand by more than a million cars a year.

Investor's Asia				
Hong Kong Hang Seng	Singapore Straits Times	Tokyo Nikkei 225		
16500	2000	20000		
15000	1800	19000		
13500	1600	18000		
12000	1400	17000		
10500	1200	16000		
9000	1000	15000		
J A S O N D	J A S O N D	J A S O N D		
1997	1997	1997		
Exchange	Index	Tuesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	10,368.10	10,172.47	+1.92
Singapore	Straits Times	1,536.31	1,541.65	-0.35
Sydney	All Ordinaries	2,558.90	2,503.40	+2.22
Tokyo	Nikkei 225	Closed	14,799.40	
Kuala Lumpur	Composite	556.35	569.83	-2.37
Bangkok	SET	366.87	378.95	-2.67
Seoul	Composite Index	366.36	396.06	-7.50
Taipei	Stock Market Index	6,038.31	6,104.03	-0.81
Manila	PSE	1,855.66	1,887.18	-1.67
Jakarta	Composite Index	397.03	385.85	+2.90
Wellington	NZSE-40	2,227.20	2,300.62	-3.19
Bombay	Sensitive Index	3,641.11	3,616.34	+0.68

Source: Reuters International Herald Tribune

## Tokyo Brokerage Fails as Lending Tightens



Mr. Hayashi announcing the bankruptcy Tuesday.

TOKYO — Maruo Securities Co., a medium-sized Japanese brokerage, filed for voluntary bankruptcy Tuesday after it was unable to obtain new loans amid a worsening credit crunch.

The privately held brokerage has 44.5 billion yen (\$343.6 million) in debt, the company said. It was the fifth Japanese brokerage to collapse this year, after Ogawa Securities Co., Echigo Securities Co., Sanyo Securities Co. and Yamaichi Securities Co.

The company went bankrupt because of "losses in derivatives trading, including Latin American bonds," Chairman Masahisa Hayashi said.

Maruo, capitalized at 1.36 billion yen, could not raise funds because Japan's banks were doling out fewer loans in order to meet capital requirements. The banks, many of which had their credit ratings lowered, are also paying more to borrow money at home and overseas and passing those costs on to their clients.

The credit crunch threatens to choke the economy and cut into profits by forcing companies to slash spending.

On Monday, the Japanese government temporarily shelved plans to impose even stricter lending and capital requirements on financial institutions. Finance Minister Hiroshi Mitsuzuka said the government would abandon

for now its proposal for a tighter bank-supervision system that it had planned to adopt in April.

Finance Ministry officials are now urging banks to continue supporting businesses even though they may not meet the requirements of the tougher credit standards.

The proposed guidelines had called for harsh punishments, including business suspensions or even closures for banks whose lending practices were judged to be too lax.

But under pressure from Prime Minister Ryutaro Hashimoto, finance officials met Monday to devise more flexible lending guidelines. Mr. Mitsuzuka is expected to announce the softened guidelines Wednesday.

Ministry officials said their retreat from the initial proposal was only temporary and that they would tighten lending standards again once Japan's economy regained its strength.

Maruo's problems stemmed not from loans to Japanese companies but from the 1995 Mexican currency crisis. The brokerage had sold financial instruments based on Mexican government bonds with repurchase agreements, the financial daily Nihon Keizai said.

After the instruments developed latent losses, the company was forced to buy them back under those repurchase agreements. (Bloomberg, Reuters, WP)

## Bad Crop Forces Indonesia to Import Rice

JAKARTA — Indonesia ordered 100,000 tons of imported rice this year because of a shortage in domestic production caused by drought and harvest failure, the government said Tuesday.

About 50,000 tons of rice have arrived from Thailand and Vietnam, and another 50,000 tons are expected by the end of this month, said Beddu Amang, head of the national logistics agency, Bulog.

"We will have to import several hundred thousands tons of husked rice next year to prevent a price increase," the official Antara news agency quoted him as saying Monday.

The government said shipments would be ordered next year from Pakistan, China and India.

Mr. Amang said the country's rice stock currently stood at 1.6 million tons, down from 2.2 million tons last month.

President Suharto has ordered the agency to try to curb further increases in the price of rice, which rose 7.5 percent in November.

This month, Food Minister Ibrahim Hasan said the government had allocated nearly 1 trillion rupiahs (\$196 million) to finance rice and sugar imports ahead of expected shortages in February.

The weather phenomenon El Nino has been called a major cause of an extended dry season in Indonesia this year. The Agriculture Ministry said at least 450,000 hectares (1.1 million acres) of paddy fields were damaged by drought from July to November.



Seoul residents lining up at the Foreign Exchange Bank of Korea on Tuesday to sell U.S. dollars as the won reached another historic low.

## FORECAST: Profits in Question

Continued from Page 11

Investment policy committee at Goldman Sachs & Co., remains upbeat. Ms. Cohen said that the fourth quarter is the most difficult to parse for analysts "because the write-offs companies like at the end of the year are usually much larger than in any other quarter."

But, she said, "I think the whole quarter is going to be pretty good," adding that signs from some of the banks and financial companies that will lead off the reporting season were positive. Companies are saying that the Asia factor will not be a big deal," she said.

But Mr. Doerringer of PaineWebber, in contrast, said many earnings estimates for American industry as a whole in 1998 were still too high.

No matter how the final earnings reports come out, the worry about Asia and expectation of slower growth in the United States next year have led analysts to scale back their earnings projections for the last three months of this year.

According to First Call, a Boston-based research firm that tracks earnings estimates by analysts around the country, analysts for companies in the Standard Poor's 500-stock index have been raised downward over the past five weeks and now call for an average profit rise of 8.3 percent from a year earlier, compared with a mid-November average of 11.2 percent.

## KOREA: Seoul Fights a Big Debt Crunch

Continued from Page 1

ability of South Korean business.

Officials sought more help in a series of meetings with David Lipton, under-secretary of the U.S. Treasury and a key figure behind the \$60 billion bailout package put together by the International Monetary Fund.

Mr. Lipton, however, countered with four demands. Korean media reported Tuesday. First, he was said to have called for deregulation of the foreign-exchange market, tightly controlled by the government even though the won was floated last week. Second, he reportedly asked the government to authorize South Korean companies to lay off unneeded workers as soon as possible rather than delaying the process under pressure from unions and labor laws.

Third, Mr. Lipton asked the government to protect the interests of minority shareholders, who have no power to express their views within Korean companies. And fourth, he requested compliance with the terms of membership in the Organization of Economic Cooperation and Development when it came to transparency and opening of markets.

Indicative of the struggle that Seoul faces, however, the Korean Confederation of Trade Unions, representing 600,000 workers in major industries, attacked President-elect Kim Dae Jung for saying Monday that he would support layoffs if necessary. The union accused him of bowing to U.S. pressure and

## THAILAND: Shake-Up at Bank

Continued from Page 11

"Thai officials are desperate to make the Citibank deal happen," said Masatoshi Nagato, general manager of the Industrial Bank of Japan. "There have been many rumors about foreign takeovers, but not many have taken place. Now the authorities have shown they are willing to take action to make changes happen."

Thailand recently relaxed ownership rules that had limited foreigners to a 25 percent stake in the country's financial institutions. Now, with prior approval, foreigners may own 100 percent of Thai banks and finance companies.

Changes may be taking place at the official level, but the lead editorial of The Nation newspaper Tuesday suggested popular sentiment remained unchanged. The newspaper accused foreign banks of acting with "undue self-interest" in a time of economic upheaval.

"The Foreign Bankers Association is creating grudges among Thai corporate borrowers, bankers and policy makers," the newspaper's editorial said. "It would be better for members of the Foreign Bankers Association to keep their mouths shut and not use this fragile opportunity to bargain in public."

But the symbolic importance of the Citibank deal has been raised by recent failed attempts to bring in foreign investors.

## LUXURY: Designers Seek Other Markets

Continued from Page 1

two-thirds of the economy has traditionally been based on consumer spending. Sales in luxury stores throughout the rest of Asia have been spotty to downright miserable over the past few months, and the carnage is visible.

Shares of Gucci Group NV, which were trading at \$39.875 on the New York Stock Exchange late Tuesday, down 68.75 cents, are nowhere near their high of \$73 reached in June.

The picture is similar for LVMH Moet Hennessy Louis Vuitton SA, the largest luxury-products company in the world, as it is for Dickson Concepts, a luxury-goods producer and retailer based in Hong Kong.

Elsewhere, Joyce Boutiques Holdings, which operates high-fashion stores in Hong Kong, said it had a loss of 27.9 million Hong Kong dollars (\$3.6 million) in the half-year that ended Sept. 30; business partners in Taiwan are taking longer to pay the French shoe maker Robert Clergerie; Calvin Klein has put its South Korean and Hong Kong expansion plans on hold, and Donna Karan International is eager to sell its Japanese affiliate, company executives say.

In an example of how the growth equation has shifted, DFS Group Ltd., a duty-free-store empire that has been on the leading edge of Asian expansion, is now angling to buy Barney's Inc., a bankrupt New York high-end retailer. Luxury-goods merchants everywhere are also pinning hopes on Europe, until now regarded as anemic.

"In Europe, there are still a lot of markets for us," said Ippolito Etro, chief financial officer at the Italian fashion house Etro. "And I see a lot of companies pushing toward the States, the only market which is still big and where you can still increase."

Asia accounted for 38 percent of the Italian company's growth last year; for 1997, it will be just 31 percent. The Asian economic crisis "has kind of stopped our growth there," Mr. Etro said.

Domenico De Sole, chief executive of Gucci, said all luxury companies would have to focus on other markets in the short term.

"It is pretty clear people have to change the focus of their business and gain strength in United States and Europe," said Mr. De Sole, whose company makes 10 percent of its sales in Asia and another large chunk in Hawaii, a prime Asian tourist destination.

The Asian shopper is not only in the majority in many stores from Milan to New York to Hong Kong, but also more geared to buying entire outfits than, say, her American counterpart, who might pair a Prada skirt with a Hanes T-shirt, so losing an Asian shopper is more serious.

"What is striking when you see consumers in Asia is their whole head-to-toe concept," said Faye Landes, a retail analyst at Smith Barney in New York. "They take a different view of the product, which is that they want it all."

For a large publicly traded company such as Gucci, the storm may be weathered by trying to focus on sales in other regions. But small companies with large Asian exposures may find themselves in a tizzy.

Even at a company such as Anna Sui, however, where executives say that at least 40 percent of the business comes from Asian clients, optimism has not gone out of style.

The company recently established a partnership with Isetan Co. of Japan to license and distribute its goods exclusively in Japan and some other Asian countries; it also has a relationship with Joyce in Hong Kong.

"Over the last year, the plan we developed was to take a strong but measured approach to Asia," said Rod Kosann, the company's president. "From 1997 to 1998, we are looking for our business to grow 20 percent there. We look at what is going on and are concerned about it, but we think it is going to be a great market."

More than a dozen fashion executives interviewed last week said they were hopeful about Asia in the long term. Some others seemed to think that the problems were those of their licensed partners rather than strictly their own concerns. But even if licensees or retail partners absorb the initial hit, those partners will be buying less merchandise or forcing vendors to mark it down.

Still, for companies with a cash cushion to carry them through or that have strong sales elsewhere in the world, it makes no sense to leave Asia now.

"Producers have a longer time horizon when they think about production and market share," said Steve Radelet, an economist at the Institute for International Development at Harvard University. "And for people interested in the long term, Asia is where the action is. With 60 percent of world's population growing at 7 percent a year, you have to be there."

## INDONESIA: Country's Total Foreign Debt Burden May Be \$200 Billion, New Estimate Suggests

Continued from Page 11

hoping to prevent them from triggering a default.

In both countries — despite trillion-dollar standby loans argued by the International Monetary Fund — recent rapid falls in value of their currencies against the dollar have made it much more expensive for companies to repay, even service, their loans.

The rupiah has plummeted more than 50 percent against the dollar in the middle of the year.

"This meltdown in its currency led to a wave of corporate bankruptcies, and this could be very

destabilizing," said David Hale, Chicago-based global economist for the Zurich Kemper group. "Half of Indonesia's major corporations are technically bankrupt if we don't get the rupiah back to 3,000 or 4,000 to the dollar, he said."

The dollar rose Tuesday to 5,245 rupiah from 5,100 rupiah Monday.

Indonesia is the world's fourth most populous nation and its fourth-most populous debtor. Official figures put Indonesia's combined government and private debt at \$117 billion, of which \$65 billion is private.

Bankers and economists have little doubt about the government's incapacity to repay its foreign debt, much

of which carries concessional interest rates and long repayment terms.

But C.J. de Koning, Indonesia country manager for ABN-AMRO Bank of Holland, said that the average maturity of the Indonesian corporate debt was only 18 months.

"Which means that the private sector repayment obligations are \$3.6 billion per month and \$43 billion in the coming year," he said. "Add to this the interest to be paid of nearly \$6 billion per year, and one can easily understand that a \$49 billion payment obligation creates an immense burden."

Pablo Zuanic, head of research in

the Jakarta office of Indosuez W.I. Carr securities, said that economists in the French financial services group had estimated that at least \$44 billion in offshore bond borrowings by Indonesian companies were not included in the official private sector debt figure; nor were short-term offshore borrowings.

"In total, it would not be far-fetched to assume that the total Indonesian foreign debt amounts to \$200 billion," he said. "With three quarters of this debt being private, and at least a third maturing over the next 12 months, it is not hard to see where the pressure on the rupiah is coming from."

In a meeting Monday with representatives of major Indonesian companies, President Suharto said that the private sector must work closely with the government to overcome the country's troubles.

"The problem is companies are using short-term loans for long-term projects," he said.

Mr. Suharto, who recently returned to work from a 10-day rest period ordered by his doctors that further unnerved the markets — said he had appointed RADIUS Prawiro, a former coordinating minister for the economy, to head a task force to help firms renegotiate foreign loans to gain more time for repayment.

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**NASDAQ**

**Tuesday's 4 P.M.**  
The 1,000 most traded National Market securities  
In terms of dollar value, updated twice a year.  
*The Associated Press.*

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Case	Law	Page	File	PE	DE	Back	12/13
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**NYSE**

**Tuesday's 4 P.M. Close**

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INTERNATIONAL FUNDS  
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**WORLD ROUNDUP**

**For Some, the Greatest Gift Is Simply Playing Soccer Again**



Ryutaro Hashimoto, the Japanese prime minister, holding the Olympic flame on Tuesday.

**Flame Flies to Japan**

**OLYMPICS** The Olympic flame arrived in Japan on Tuesday on a chartered flight from Greece. A torch relay will take the flame through every prefecture in Japan on its way to Nagano for the start of the Olympics on Feb. 7. (Reuters)

**Iida Wins a World Title**

**BOXING** Japan's Satoshi Iida knocked down Thailand's Yokthai Sith Oar in the first round Tuesday and went on to take the World Boxing Association junior bantamweight title with a controversial unanimous decision. Iida floored Yokthai with a left jab in the first round. Yokthai began his comeback in the fourth round, but referee Enzo Montero penalized Yokthai in the sixth, and ninth rounds for low blows. (AP)

**Golfer Can Use a Cart**

**GOLF** Casey Martin, the disabled golfer suing the U.S. PGA Tour for the right to use a riding cart, will be allowed to ride at the first two events next month in the 1998 Nike Tour, a level below the main PGA Tour. Martin, 25, has Klippel-Trenaunay-Weber syndrome, a circulatory disorder in his right leg. He is suing the tour under the Americans with Disabilities Act. The case is due to go to trial Feb. 2 in Oregon. (AP)

**L**ONDON — If Charles Dickens were writing "A Christmas Carol" today, Tiny Tim would be given new limbs so that he might enjoy the simple pleasure of the simplest game.

Implausible? By no means. The dream of soccer crosses so many boundaries, and medical science is now so capable, that the handicapped can share the experience. All it requires is goodwill over more than the Christmas period.

Happily, the miracle is happening in Georgia and in Angola. In 1998, it will start to happen in Uganda. There, some of the thousands of victims of man's inhumanity to man — in the form of the land mine — are reintroduced to the movement of soccer through the care of the Red Cross and the generosity of UEFA, the governing body of European soccer.

"Soccer is about mobile people," said Lennart Johansson, the UEFA president. Johansson said this in a clinic in Tbilisi where young men, some limbless, some with one leg blown off, were being made mobile through artificial limbs.

Johansson's face hid neither pity nor pride. "This," he said, "is only the beginning. What we see here is encouraging, but we intend making a real contribution to helping these people rediscover the joy of playing. Football can only maintain its leading role if our world wide movement retains its spirit of solidarity."

This column and officialdom are not the most reliable of supports for one another. But this is

Christmas, and there are a million and one reasons to respect UEFA's initiative.

The million is the initial donation, in Swiss francs (\$720,000), which UEFA has committed from its funds to the International Committee of the Red Cross campaign providing surgery, artificial limbs and rehabilitation in 71 countries.

And the one? That is UEFA's commitment to Africa. Geographically, it lies beyond UEFA bounds, but Johansson has an accord with Issa Hayatou, the president of the African soccer confederation, which recognizes that, while Europe enjoys the riches of soccer's popularity, Africa is often the supplier of human resources.

Anti-personnel mines, alas, cross those boundaries, too. I recall a friend's going into Vietnam shortly after soccer began to make inroads into postwar inertia. "The will of the Vietnamese to play this game is beyond belief!" he reported. "They are clearing wasteland of bloody mines to lay out their pitches."

In Vietnam, and in Angola. The Red Cross uses a promotional photograph that is indelible to the memory. In a jungle clearing near Luanda, six individuals are playing with a soccer ball. The player who has just kicked it has one sound leg, his other leg is artificial. At least one other amputee is

turning to face the ball. One player stands out. He is white, he has only the disability of being retired from full-time sport. He was thrilled to be wrong-footed during an impromptu match in Huambo where the Red Cross has a base.

"The sight of 22 players, all with artificial limbs, was unreal," said Christophe Bonvin, formerly a Swiss international player. "But when I joined in, one of them even managed to sidestep me, leaving me on the floor."

Bonvin's laughter echoes the feelings he shared with amputees who play at Huambo twice a week. "Soccer has always represented a link between races," said Bonvin. "And clearly the handicapped can join in."

Similarly, Johansson watched in Tbilisi as a player, who had been good enough in his youth to be apprenticed to the Dynamo Tbilisi club, but whose legs were both blown away by a legacy of the separatist rebellion in Georgian in the early 1990s, demonstrated the first, determined efforts to regain his mastery of the soccer ball.

That young man, seeking to recapture self-expression which once came naturally to him, was joined last year by 348 Georgians who fell victim to mines laid beneath their feet. When you watch soccer in the most mobile, most highly charged

and most profitable club competition in soccer — the UEFA Champions League — you are likely to be reminded of the appalling legacy of more than 2,000 people maimed or killed every month by land mines around the world.

**F**OR NOT only is UEFA's million a three year gift to the Red Cross, it is backed, in many countries, by free television air time during Champions League broadcasts which the Red Cross can use to publicize its appeal. Soccer, the global game, can afford global generosity. The Champions League is a gold mine that brings UEFA and the clubs millions each season.

FIFA, the world soccer governing body, which organizes soccer wherever there is light and space to play, has just projected its income from TV and marketing over the eight year period to 2006. The figure is in the region of three billion Swiss francs. FIFA also gives its S.O.S. worldwide soccer fund to provide "villages" and shelter to orphans.

Nevertheless, the cause of land-mine victims is particularly appropriate to soccer. The amputees need the balance soccer teaches. Think what a forced soccer, if truly unified, could make to mobilizing the handicapped. This is one area where all of soccer could hold hands and provide countless more legs.

Rob Hughes is on the staff of The Times of London.

**32 Become Free Agents After Baseball Deadline**

**NEW YORK** — Tony Phillips, Gerónimo Berroa and Bob Hamelin were among 32 players who became free agents when their teams failed to offer them 1998 contracts before the Dec. 20 deadline.

Phillips, 38, pleaded guilty to misdemeanor cocaine possession last month and was ordered into a drug program that could clear his record. The police said Phillips was trying to buy \$30 worth of cocaine when he was arrested at an Anaheim motel on Aug. 10.

Anaheim tried to get rid of him then, but the union filed a grievance and the team was stopped. Traded to the Angels by the Chicago White Sox on May 18, Phillips hit .275 with eight homers, batted in 57 runs and scored 96.

Berroa hit .283 with 26 homers and 90 runs batted in for Baltimore.

Hamelin, the 1994 American League Rookie of the Year, was released by Kansas City during spring training and signed with Detroit, hitting .270 with 18 homers and 52 RBIs.

As teams rushed to sign players before the end-of-year break, the New York Yankees and reliever Darren Holmes agreed Monday to a \$6.4 million, three-year contract. Oakland agreed to deal with a pair of free agents, a \$450,000, one-year contract with outfielder Shane Mack and a minor-league deal with catcher Damon Berryhill that would pay him \$350,000 if he makes the team.

Another free-agent catcher, Joe Oliver, agreed to a minor league contract with the Detroit Tigers. And first baseman Hal Morris agreed to a one-year contract with the Royals.

In a trade, the New York Mets sent outfielder Carl Everett to Houston for reliever John Hudek.



New England's Jimmy Hitchcock, right, breaking up a pass to the Dolphins' Brett Perriman.

**Patriots Win, but Miami Gets 2d Chance**

**MIAMI** — The Patriots beat the Dolphins in Miami in the final game of the regular season to earn the right to meet them in New England next week in the first round of the playoffs.

The Patriots' 14-12 victory on Monday night broke a tie with Miami in the standings, giving New England the "championship" in the American Football Conference East and home-field advantage for the first round in the playoffs.

Miami also lost its regular season game on Nov. 24 in New England, 27-24. Next Sunday, it will try to break a seven-game losing streak in postseason road games since winning the Super Bowl in January 1974.

"Fortunately we get another shot," said Jimmy Johnson, the Miami coach. Johnson was bitter about the officiating Monday. A holding penalty negated a 2-point conversion that would have tied the score, and a fumble return for a touchdown was waved off when the officials said the play was blown dead.

"I wouldn't like it at all if it was over. But it's not over," Johnson said. But the site for the rematch favors

New England. "Hopefully, it will be 20 below," said Ty Law, a Patriots cornerback, referring to the weather.

Drew Bledsoe, the Patriots quarterback who is trying to shake a reputation for poor play in big games, threw for only 173 yards Monday. But he rallied New England from a 6-0 halftime deficit with touchdown drives of 70 and 55 yards.

New England's defense forced the Dolphins into repeated negative-yardage plays with frequent blitzing. A harried Dan Marino completed 28 of 44 passes for 278 yards but was sacked four times.

"They blitzed us and blitzed us, and half the time we didn't make the adjustments," Marino said.

Marino's 8-yard touchdown pass to Lamar Thomas made the score 14-12 with 3:46 left. But Karim Abdul-Jabbar's 3-point conversion run was negated by a holding penalty on tackle Richmond Webb, and on the second conversion attempt, Marino's pass fell incomplete.

The Patriots missed a chance to run out the clock when they decided to

throw on third-and-1, and Bledsoe's pass fell incomplete.

Tom Tupa then shanked a punt 18 yards, and Miami started at the New England 47 with 1:58 left. But Lawyer Milloy intercepted Marino's desperation pass on fourth-and-15 at the Miami 48.

Marrio Grier scored the first Patriots points with a 2-yard touchdown run, his first of the season.

**Indianapolis Fires Coach**

The Indianapolis Colts' owner, Jim Irsay, reacted to the team's league-worst 3-13 record by firing Lindy Infante as coach and Bill Tobin as vice president and director of football operations. The Washington Post reported.

Irsay hired Bill Polian, who had been the Carolina Panthers' general manager, as team president and gave him a six-year contract.

Elsewhere, the Buffalo Bills' coach Marv Levy, 72, refused to say whether he would return next season, leaving open the possibility that his 12-year tenure with the team could be over.

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SPORTS

# Kings Beat the Hawks, 1-0

## Goalie Storr, Up From Minors, Shines With 32 Saves

The Associated Press  
Los Angeles goalie Jamie Storr made his first National Hockey League appearance of the season a memorable one.

Storr was recalled last week from Long Beach of the International Hockey League. On Monday, he made

32 saves for his first career shutout as the Kings beat the Blackhawks 1-0 in Chicago to extend their winning streak to three games.

"It was a lot of fun out there," said Storr, who was selected seventh overall in the 1994 draft but stuck in the minor leagues this season after injuring a groin muscle in an exhibition game. "This is the way I'd like to start every season. When I came

up, I just wanted to show I could contribute some way."

The 21-year-old goalie is 7-5-2 in parts of four NHL seasons.

"Their goaltender was outstanding, and that was the story of the game," Chicago coach Craig Hartsburg said.

Blues 2, Lightning 2: Dino Ciccarelli scored his second goal of the game with 37.7 seconds left in regulation time to give Tampa Bay a tie with St. Louis.

The right wing redirected Roman Hamrik's drive past goalie Grant Fuhr, helping Tampa Bay tie a franchise record with an eight-game home unbeaten streak.

Brett Hull gave the Blues a 2-1 lead in the second period. Red Wings 4, Bruins 2: In Boston, Chris Osgood made 33 saves and Anders Eriksson

had a goal and an assist as Detroit beat the Bruins for the ninth straight time.

Oilers 3, Canadiens 3: Ryan Smyth scored with 10 seconds left in regulation as Edmonton rallied from a 2-0 deficit to earn a tie in Montreal.

With Oilers goalie Bob Essensa off for an extra attacker, Smyth came from behind the net to stuff Jason Arnott's rebound past goalie Jocelyn Thibault.

Senators 4, Islanders 1: Andreas Dackell had a goal and an assist, helping Ottawa extend its unbeaten streak at the New York Islanders' Nassau Coliseum to five games.

Mighty Ducks 5, Flames 1: In Anaheim, Teemu Selanne scored twice to reach the 30-goal mark for the fourth time in his career as Anaheim beat Calgary.



The Flames' Michael Nylander staying on his feet while dueling with the Ducks' Paul Kariya.

# A New Bicycle for Christmas

## Frenchman Hopes a Santa Claus Brings Sponsorship

By Samuel Abt  
International Herald Tribune

PARIS — Any day now, they agree, it has to happen, is bound to happen, will happen — today, tomorrow, no later in any case than Thursday. Christmas is on their minds, of course. The man with the check for 3 million-plus francs (\$500,000) will be their Santa Claus.

"Pere Noel, you can call him," said Louis Mattei, who has swept away all uncertainty — in his own thoughts, anyway — that he can form a new, low-budget professional cycling team for the season that starts in February. The French Cycling Federation said last week that he cannot, that he has not guaranteed sufficient funds to pay the riders and that therefore the federation cannot approve his application for the eighth French team.

Mattei is undaunted. "They say it's finished," he said. "For me, it's not finished. I filed my papers in time. I have 61 riders who have asked me for work. I have a letter of accord with secondary sponsors. All I need now is one or two more riders."

"This will be my Christmas present, when the principal sponsor declares himself and gives us the money. It will happen."

Mattei would be rubbing his hands together if he were not using them to speak on the phone and turn pages in his notebook. "We see a budget of 8, 9, 10 million francs. Already we have more than 5 million. We have deposited with the French federation 3 million francs, mostly from the municipality of St. Denis, to cover 10 riders. When the principal sponsor steps forward, we will have the rest: a

clear road ahead." Although he will not hint who the sponsor may be, he insists he has one.

One of his *directeurs sportifs*, Laurent Joly, was no less exuberant. "I'm confident," he said in another phone call. "Nice timing, no? A Christmas present for all of us. It's bound to happen."

The federation's rejection? "People say no when they can mean to say yes. Another day or two, they will say yes."

A rider for the proposed team, Denis Leproux, has no doubts either. "No problem, they tell me," Leproux, the best French amateur cyclist this year, is 33 years old. A decade ago, he turned professional for two years, left no mark and returned to the amateur wars.

"I think I've missed something," he said. "I had 15 or 20 victories this year and now I've got this desire to see what kind of professional I can be. When I retire, I don't want any regrets. So it's now or never. I've decided. It has to happen. Just in time for Christmas, too."

Only Gerard Rue, the second director sportif, was restrained, but Rue, who has just retired after an honorable 11-year career as a professional rider, is the only one on the team who has solid experience beyond the amateur level. He knows that things go wrong. Ask him about the French championship in 1992 when he had the race won until a teammate led the charge that caught him and left him in seventh place. "We'll see," is as far as Rue will commit himself. "I'd like to be hopeful but all I am now is disappointed. It's easy to say it has to happen, but so far it hasn't. Let's wait and see."

The proposed team's organizer, is willing to wait, just another day or two. Mattei, who is in the construction business, has been manager of another small team, BigMat Auber 93, but has fallen out with its ways.

"Everything was too vague there," he said vaguely. What he meant was that, Leproux aside, he wants to hire young amateur riders and form them, as Aubervilliers did when it started in 1994. Last year, with a budget that doubled to 14 million francs, the team enlisted veterans and lost its purpose, as Mattei sees it.

"So many young riders available," he said, "so many riders who would be on welfare, no jobs at all, if it weren't for us." When he announced his plans for the team, he said, Belgians, Italians and even Russians called him, looking for work.

"But I told them no," he continued. "There are too many young French riders out of work. We plan to have 14, 15, 16 riders, mostly young, all French."

"You'd think the French Cycling Federation would appreciate that."

The federation, however, has been stung by this argument before. In its unfavorable decision, it noted that Mattei had not divulged the name of his principal sponsor and could not guarantee that his riders would be paid.

"The major concern of the federation," it said, "is to protect the riders and to avoid repeating the cases of Force Sud, Agriguel-La Creuse and Eurotel." All three were underfunded and left their riders unpaid.

"Not us," Mattei insisted. "When the sponsor makes himself known, you will see that we have the budget. One day, two days at most. Certainly by Christmas. What a Christmas present that will be for all of us."

# Even Without Ewing, Knicks Top Mavericks

The Associated Press  
The New York Knicks won easily in their first game since Patrick Ewing's season-ending wrist injury. But their opponents were the Dallas Mavericks.

The Knicks handed the Mavericks their ninth straight loss, 79-67, Monday night.

"We're going to have trouble with teams with big centers," said Dave Checketts, Madison Square Garden's president, at halftime.

"Fortunately, we're playing a team tonight that doesn't have one."

Webster added 23 as Washington extended its season-high winning streak to five games.

Rod Strickland added 19 points and 10 assists for Washington, which turned 23 Milwaukee turnovers into 30 points.

Hornets 81, Raptors 79: In Charlotte, Glen Rice made up for a subpar performance with the winning tip-in at the buzzer, capping a Hornets comeback from a 12-point deficit with nine minutes left.

Nets 99, Magic 88: Sam Cassell had 28 points, six assists and five

steals to lead New Jersey to victory in Orlando.

Pistons 96, 76ers 92: Grant Hill had 22 points, 10 rebounds, 8 assists and 3 blocks, and Detroit overcame a 21-point second-half deficit.

Jerry Stackhouse scored 17 points and made a key block against Tim Thomas with 6.4 seconds left.

Jazz 101, Hawks 99: In Atlanta, Karl Malone scored 27 points, including a clinching jumper with 32 seconds remaining, as Utah handed the Hawks their third straight loss.

Lakers 94, Rockets 83: In Houston, Kobe Bryant scored 19 points, and Eddie Jones had 9 of his 17 points in an early third-quarter charge that helped Los Angeles beat the Rockets.

Suns 91, Warriors 76: In Phoenix, Cedric Ceballos scored 11 of his 17 points in the fourth quarter as the Suns beat Golden State. Antonio McDyess also scored 17 points for the Suns.

Kings 89, Timberwolves 79: Mitch Richmond scored 27 points as Sacramento rallied in the second half to beat Minnesota. Michael Stewart, a rookie, scored 13 points, grabbed 13 rebounds and blocked four shots for Sacramento.

# SCOREBOARD

## BASKETBALL

### NBA STANDINGS

#### EASTERN CONFERENCE

##### ATLANTIC DIVISION

Team	W	L	Pct	GB
Miami	17	11	.607	0
New York	16	11	.593	2
Orlando	14	11	.560	3
Washington	11	14	.440	6
Boston	12	12	.500	4
Philadelphia	6	19	.240	11

##### CENTRAL DIVISION

Team	W	L	Pct	GB
Atlanta	17	8	.680	0
Indiana	16	9	.640	1
Charlotte	16	9	.640	2
Chicago	16	9	.640	3
Cleveland	16	9	.640	4
Detroit	13	15	.464	6
Milwaukee	12	14	.460	6
Toronto	2	22	.083	14

##### WESTERN CONFERENCE

##### MIDWEST DIVISION

Team	W	L	Pct	GB
Utah	16	10	.615	0
Houston	14	9	.609	1
San Antonio	15	10	.600	2
Minnesota	11	14	.440	4
Vancouver	10	17	.370	6
Oklahoma City	5	21	.192	11
Dallas	2	22	.083	13
Denver	2	22	.083	13

##### PACIFIC DIVISION

Team	W	L	Pct	GB
Seattle	21	5	.808	0
L.A. Lakers	21	6	.778	1
Phoenix	18	9	.667	3
Portland	14	10	.583	4
Sacramento	10	17	.370	11
Golden State	5	19	.208	15
L.A. Clippers	2	22	.083	16

## FOOTBALL

### NFL STANDINGS

#### AFC

Team	W	L	T	Pct	PF	PA
New England	10	6	0	.625	269	289
Atlanta	9	7	0	.563	327	327
N.Y. Jets	9	7	0	.563	248	287
Buffalo	6	10	0	.375	257	367
Indianapolis	3	13	0	.188	313	401

#### NFC

Team	W	L	T	Pct	PF	PA
Pittsburgh	11	5	0	.688	372	307
Jacksonville	11	5	0	.688	294	318
Tennessee	8	8	0	.500	333	310
Cincinnati	7	9	0	.438	355	405
Baltimore	6	9	1	.406	326	345

## TRANSITIONS

### BASEBALL

#### AMERICAN LEAGUE

Team	W	L	Pct
Oakland	10	10	.500
Seattle	10	10	.500
Los Angeles	9	11	.450
San Francisco	9	11	.450
Minnesota	8	12	.400

#### NATIONAL LEAGUE

Team	W	L	Pct
San Diego	10	10	.500
St. Louis	10	10	.500
Philadelphia	9	11	.450
Atlanta	9	11	.450
San Francisco	8	12	.400

## SOCCER

### EUROPEAN CHAMPIONSHIP

Team	W	L	T	Pct
France	4	0	1	.833
Italy	3	1	1	.667
Spain	2	2	1	.500
Germany	2	2	1	.500
Sweden	1	3	1	.333

## WORLD CUP

### EUROPEAN CHAMPIONSHIP

Team	W	L	T	Pct
France	4	0	1	.833
Italy	3	1	1	.667
Spain	2	2	1	.500
Germany	2	2	1	.500
Sweden	1	3	1	.333

## DENNIS THE MENACE



"I think I can still see a little bit of the flame."

## PEANUTS



## GARFIELD



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## JUMBLE



## RECRUITMENT





## OBSERVER

## Home for the Holidays

By Russell Baker

WASHINGTON — We went to the cemetery the other day to put out Christmas wreaths for our kin. They were inexpensive wreaths. We decided that paying more than \$10 per tombstone would be gross vulgarity.

Money had almost always been in tight supply with the persons being honored. In their time they would have laughed themselves hoarse at news that some fool had squandered \$10 worth of piney twigs on a burial plot.

For my mother, \$10 was almost a week's salary at one time, but nowadays it does not fetch you anything very gaudy, and the model we wired to her headstone was appropriately modest.

Even now I am uncertain about the point of the exercise. Maybe it has to do with my mother's profoundly sentimental response to this high holiday combining crass mercantile with mystic tales of Middle Eastern kings and an overcrowded inn. Having her family in her house at Christmas was absolutely essential to her happiness.

Well, a boy sprouts whiskers, leaves the old neighborhood, marries, becomes a parent and — let the cruel truth be uttered — one day discovers that going home to mother's for Christmas is more than his spirit can bear.

There is that dreary trip in dark December afternoons, along dangerously crowded roads or through miserable airports. There are small children to be transported.

Soon the children are gigantic. They love Grandmother. Oh yes, no doubt of that. But then they begin

showing unmistakable signs of thinking. "Much as I love Grandmother, I don't want to go to Grandmother's house for Christmas."

Neither does Dad. Neither does Mom. Dad and Mom have their own place now. They want to have Christmas in that place. Having Christmas there is one of the things that makes it a "home."

My mother had to be confronted with the brutal fact: No, we were not coming for Christmas that year, or any other year thereafter. We were going to have Christmas "in our own home."

She was begged to come join us and sometimes did, but a lot of the joy had drained out of the season.

Time passed. Our children left the neighborhood, married, became parents. They came back for Christmas, of course, though it meant long hours of driving, sometimes in terrible weather.

To bring the story to its obvious end, we told them to cut it out and stay in their own places at Christmas, and they do, more or less. We commonly stay Christmas Eve with a son who lives nearby, rise next morning to watch children destroy the wrapping paper before breakfast, then clear out happily.

The truth of it, though, is that lately, a melancholy onset of bad conscience sends me toward the graveyard bearing \$10 Christmas wreaths.

Some senseless apology, I think, is being offered here. Everybody must grow up, make his own life and grow old. It is pointless to apologize for what is inevitable. Still, we went with the \$10 wreaths.

New York Times Service

## The Holocaust as a Second Generation Presence

By Dinitia Smith  
New York Times Service

NEW YORK — In 1990, Deb Filler, a Toronto-based stand-up comedian, went to Europe for what she called "a whirlwind tour of Eastern European death camps" with her father, Saul, who had been a prisoner at Auschwitz. When she returned home, she wrote a comic monologue about growing up as the child of a Holocaust survivor and her father's experiences in the camps. The piece, "Punch Me in the Stomach," was performed at the New York Theatre Workshop in 1992 and later made into a documentary film.

Jokes about Auschwitz? "I thought the number on his arm was his phone number," Filler says in her monologue. When her father was crammed into a single bunk with eight other prisoners, "someone would yell, 'Turn!' she recalls his telling her. "We all had to turn at the same time, and we laughed. What else could you do? We laughed the whole first night at Auschwitz."

Filler is one of a group of children of Holocaust survivors who have turned to theater, to writing, to art, in an effort to sort through the experience of growing up in families with memories too terrible to speak of. This fall there were two new books, "Where She Came From: A Daughter's Search for Her Mother's History," by Helen Epstein, and "Shtetl: The Life and Death of a Small Town and the World of Polish Jews," by Eva Hoffman, each of them a re-creation of prewar shtetl life.

Before them came the work of the cartoonist Art Spiegelman, author of "Maus"; the fiction writers Carl Friedman in the Netherlands and Nava Semel in Israel, and the writers Lev Raphael, Thane Rosenbaum and Melvin Bukiet in the United States. Then there are filmmakers, Chantal Akerman and Aviva Kempner, and the artist Christian Boltanski, with his altarlike installations on memory. In the 1980s, the Israeli rock stars Shlomo Artzi, Yehuda Poliker and Yackov Gilad, all children of survivors, incorporated the Holocaust into their music.

There has been a stream of memoirs by the second generation, among them Julie Salamon's "Net of Dreams." In 1996, Daniel Goldhagen's "Hitler's Willing Executioners" was, in effect, an examination of the anti-Semitic culture that brought about the destruction of the extended family of his father, Erich, in Romania.

There is an estimated total of 250,000 children of Holocaust survivors in the United States. "We call ourselves the 2 G's," said Epstein, referring to the second generation. "The one common element is enormous physical and psychic disruption in our family history because of great catastrophe."

In "Children of Job," perhaps the first comprehensive



Deb Filler, who made comedy of growing up as a child of a Holocaust survivor.

study of second-generation writing, published this year, Alan Berger, a professor of Holocaust and Jewish studies at Florida Atlantic University, calls the writing of survivors' children an attempt to cope with "the presence of absence."

"We children feel we have no voice," Filler, the comedian, said in an interview. "Because what we have experienced is in no way as significant as what our parents did. How do you beat Auschwitz? How do you beat that story?"

Helen Epstein, 50, grew up in the Czech émigré community of Manhattan. In her first book, "Children of the Holocaust," she describes her mother, Franc, as superbly competent, a dressmaker to wealthy women. But she suffered from sudden episodes of depression, when she locked herself in the bathroom for hours at a time.

"She would often say that she had lost her laugh in the war," Epstein said in an interview. Her father, Kurt, who had been on the Czech Olympic water polo team, flew into sudden rages when his children didn't eat their dinner.

In doing research for "Where She Came From," (Little, Brown), Epstein traveled to Czech cities and villages in search of anyone who might have known her family.

The Jews, she says, were caught in the complex web of relations between local Czechs and ethnic Germans; they were despised but necessary, with their business skills, to the landed gentry. Many Jews had become secularized.

Above all, Epstein learned that her mother had once been a normal, pretty, laughing young woman. "My mother was a party girl," she said. "She had tons of boyfriends. My mother danced the tango. That was a revelation. My mother was a bimbo. That was liberating."

But her mother's youth ended with the Nazi occupation. Epstein's grandparents were murdered in a trench near Riga. Eventually, close to death from typhus, Epstein's mother was freed from Bergen-Belsen. In 1946, she married Kurt Epstein, also a camp survivor. They moved to the United States in 1948, just before the Communist takeover.

"For me, writing the book was creating a reality," Epstein said at her home in Cambridge, Massachusetts, where she lives with her husband, Patrick Mehr, whose parents, Romanian Jews, were hidden during the war. "I was creating for myself a great-grandma and a grandma, and the mother I would have had without the Holocaust. It was the most wonderful writing experience I ever had."

"Shtetl," Eva Hoffman's account of the life of Jews in prewar Poland, is more ambivalent. In an earlier book, "Lost in Translation," Hoffman, 50, wrote about moving to Canada in 1959 when her parents fled Polish anti-Semitism. "Shtetl" (Houghton Mifflin) is about Bransk, in eastern Poland, a village that was once 50 percent Jewish, in the region of her parents' home before the war. They were among the few survivors of their families.

"As I grew up, my mother talked about it, and my father didn't," Hoffman said. "They had a willingness to live, to throw themselves into life, to be happy. There was a sense that death was the ground from which everything sprang. Poland figured in the Jewish postwar imagination as the inferno. But from my father and mother's history, I knew this was a great oversimplification."

Hoffman, 50, lives in London. In writing about Bransk, she was guided by a local man who was researching the vanished Jews of the town. Hoffman explores Jewish-Christian history in Poland.

The Polish shtetl, she argues, was less anti-Semitic during the Middle Ages and Renaissance than other parts of Europe, and Jews were often allies of the Poles against invaders. But from the Cossack rampages in the 17th century and various partitions of Poland, groups clung to their identities in "an ethos of separateness," she says. "Jews played an inordinately important role in the peasants' mythological universe," Hoffman writes.

At the heart of Hoffman's quest was a need to explore why some Poles participated in the slaughter of Jews and why others helped them at great risk. She came up with no answers, she writes, only an ambiguous picture. In the end, she said about the Poles who helped save Jews, "that needs to be acknowledged, and it needs to be honored."

## ON THE ROAD

## Jan Morris: An Author Reconciling the Opposites

By Sarah Boxer  
New York Times Service

NEW YORK — Jan Morris was sensibly dressed for the evening: a cream-colored shirt, buttoned up high; a string of big white beads, and a red jacket. She offered her hand in a soft partial handshake. Her cheeks were rosy, her hair fluffy white, and her smile poised for a big open-mouthed laugh.

She was exhausted after a three-city book tour and the endless taxi line earlier that day at Pennsylvania Station in Manhattan, but was nonetheless optimistic about the evening. She predicted that a dry martini would revive her. Then she added, with a combination of British hauteur and Welsh mischief, "I'll bet you have never had a dry martini."

Before anyone could open the doors of the Mayflower Hotel, Morris, the author of about 30 books, including two memoirs, a novel and works on the British Empire, Venice, Oxford, Hong Kong, Wales and Manhattan, pushed her way through those doors into the unseasonably warm night air of Central Park West. The pace was brisk for a 71-year-old woman. The Café des Artistes was in sight, and she knew the way.

Seated under a plain charcoal portrait of Howard Chandler Christy, the man who painted the restaurant's lavish nude murals, she asked for a dry martini on the rocks with a twist, but then, after her American dinner companion ordered a dry martini straight up with an olive, she did the same. Soon she began to revive.

She started talking about her travel strategies. If it is a strange city, she takes a tour bus, she said, to "knock off the things you must see." Then she wanders aimlessly about "with all antennae out." Three stops are essential: a food market; some kind of religious service at a mosque; a church or a synagogue; and a court of law — not the high criminal courts, but the small ones, "the guy up for a traffic offense." She added, "I'm always on the criminal's side."

The important thing, she said, is "you've got to be alone," even if people want you to have company.

One of her happiest moments, she recalled, was on the Isle of Man. "I was in a pub in Peel, enjoying a pint of Guinness. A woman approached me and gave me a leaflet. 'This is to reassure you that God is with the lonely.' I drank another Guinness."

Morris carries her own creature comforts. If she has a car, she takes a teakettle and a hot water



Morris's new book is "50 Years of Europe."

bottle. If not, she takes only the bare essentials: some tea and a decent marmalade, Oxford vintage.

"The worst of American civilization, the worst thing, worse than the electric chair," she said, "is grape jelly." The waiter arrives just as she is about to address the subject of peanut butter.

She ordered a plain 12-ounce steak with little boiled potatoes and a green salad, no garlic on anything. "I hate garlic," she said.

With the ordering out of the way, she was on to the next bit of Americana: Abraham Lincoln. Two days earlier, she had clinched a deal with Random House to write a book on Lincoln. Why Lincoln?

She digressed. She said the book of hers that she liked best was "Fisher's Face," which she called "a capricious evocation of a man." The man was Jacky Fisher, or Admiral Lord Fisher of Kilverstone, Britain's first sea lord, who died six years before Morris was born and with whom she plans to have an affair after she dies. She fell in

love "with his face and his profession," she said, and yet she still has doubts about his character. "I don't know how faithful he was to his wife," she said. "He was a conceited and arrogant fellow." Which, by the way, she admires. "Arrogance seduces me."

What does this have to do with Lincoln? "Abraham Lincoln represents the United States, and I have equivocal feelings about him," she said. "I resist the log-cabin-to-White-House syndrome, but I love Lincoln in so many ways. He was kind to children and to that awful wife of his. And I love the Gettysburg Address."

Then there is Lincoln's face. "It looks mean sometimes," she said. "But it was tempered by the war. It is a wonderful face."

Her book on Lincoln, she said, will be a foreigner's response to an American idea. "The American view," she said, "lacks irony." "You," she said, meaning Americans, "are more like the French than the British." When it comes to memoirs, "you are more uninhibited."

Morris seemed just as sensitive to the national characteristics of mustards. When the waiter brought her her steak, she asked for British mustard, disdaining not only the American brands but also the French.

When she received the desired mustard, she turned to the theme of the evening: "the reconciliation between opposites." Her new book, "50 Years of Europe: An Album" (Villard), was written in brief dispatches from all over Europe to show how "the boundaries and frontiers are fading away." Morris, who is half English and half Welsh, considers herself "a reconciliation between Wales and England."

"I love bridges, and I like to feel that I am one," she said. The bridge, her favorite metaphor, led, appropriately, to the other great reconciliation of opposites in Jan Morris' life: male and female.

Twenty-five years ago, Jan Morris was a man, James Morris, who served in the British Army, married and raised four children. In 1972, he had a sex-change operation. Morris is still with the same woman she married when she was a man, although they are divorced and call themselves sisters-in-law.

"My passions are the same," she said. But her role is different.

"I play an allegorical part," she said, asking, "Is this arrogant?" before going on. "It's a curious situation I occupy in life. Because of this, both men and women feel at home with me. I belong to both groups."

## PEOPLE

## MORE Camelot artifacts

are going on the block. Flash II, the 22-foot-long racing sloop owned by John F. Kennedy from age 17 to 25 is one of them. The antique writing desk that he used to sign documents in the Oval Office, is another, as is the black Persian-lamb pillow box that Jacqueline Kennedy wore to the baptism of her son. These are some of the 600 items of Kennedy-era and Kennedy-family memorabilia to be auctioned off at the Park Avenue Armory on March 18 and 19, by Guernsey's, the small auction house that is billing the sale as second only to that of the Jacqueline Kennedy Onassis estate sale at Sotheby's in April 1996, when frenzied bidding for 1,200 lots fetched an unexpected \$34.4 million. The president of Guernsey's, Arlan Estlinger, said the sloop, the desk and the hat were the real thing, and that more than half the lots were amassed by Kennedy's longtime personal secretary, Evelyn Lincoln, who died in 1995 at age 85.

The rumors have been around for months, now it has been confirmed by a spokeswoman for the Spice Girls that Posh Spice, aka Victoria Adams, and David Beckham, the Manchester United midfielder, are planning to marry when their extremely busy lives permit it. Adams, 23, and the four other Spice Girls are starting a global tour early next year, and Beckham, 22, is expected to be on the England team for the World Cup matches in France next summer. "As soon as Gucci makes clothes for expectant mums, I would even consider a pregnancy," Adams was quoted as adding.

The new movie "Titanic" gets one red face for historical inaccuracy. In the film, the actor Leonardo DiCaprio plays a budding artist from Chippewa Falls, Wisconsin, who happily describes ice fishing back home on Lake Wissota. The snag is: Lake Wissota wasn't created until five years after the passenger liner sank in April 1912. "It couldn't have happened because the lake wasn't filled until 1917," said Dolores Beaudette, the Chippewa Falls historian. The Lake Wissota hy-



TUNING UP — Conductor Keith Lockhart, checks on Yasuhiro Fujita, who won his wish on a Japanese TV contest — to play trumpet with the Boston Pops.

droelectric project was started in 1915 and finished in 1917, when the area was flooded to create the lake.

Sweden's Queen Silvia, who turned 54 on Tuesday, was hailed by the Swedish press as a heroine after she resuscitated a member of the Swedish Academy who collapsed at a gala dinner. The evening paper Aftonbladet said the queen was standing next to 79-year-old Sten Rudholm on Saturday when he suddenly fell unconscious. The queen and the author and academy member Per Waestberg helped to lay Rudholm, a former marshal of the realm, on the floor. "The queen said she had taken a course in cardio-pulmonary resuscitation and took care of Rudholm while I looked for someone to call an ambulance," Waestberg said. Rudholm regained consciousness after 10 minutes and did not need to go to hospital, Aftonbladet said.

Three screenwriters have sued the makers of the new James Bond film "Tomorrow Never Dies," claiming the idea for the film was lifted from a script they wrote. The writers, Jeffrey Howard, Chris Beutler and Jay Schlossberg-Cohen submitted the script titled "Currency of Fear" to several people in the movie industry. According to the suit filed in federal court in Los Angeles, one person who asked for a copy of the script in February 1996 was Madeline Warren, wife of Bruce Feirstein, who is credited with writing "Tomorrow Never Dies."



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